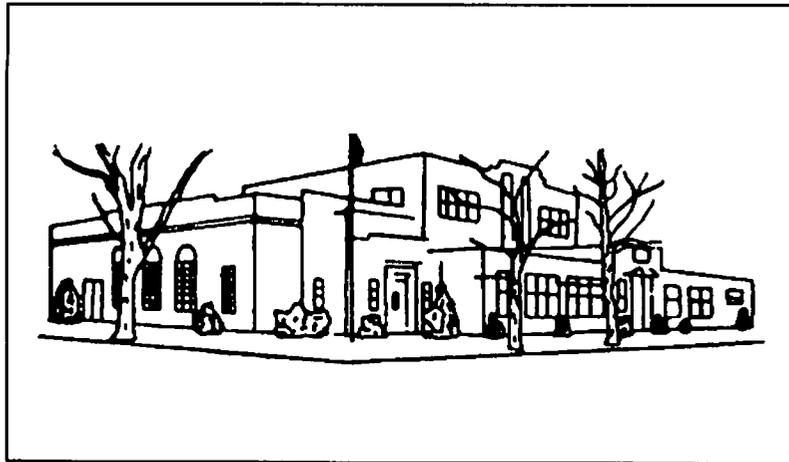


SCHOOL DISTRICT
OF
RIVERTON



Riverton Board of Education
Riverton, New Jersey

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2014

**Comprehensive Annual
Financial Report**

of the

Riverton Board of Education

Riverton, New Jersey

For the Fiscal Year Ended June 30, 2014

**Prepared by
Riverton Board of Education
Finance Department**

RIVERTON SCHOOL DISTRICT

INTRODUCTORY SECTION

	<u>Page</u>
Letter of Transmittal	2
Organizational Chart	9
Roster of Officials	10
Consultants and Advisors	11

FINANCIAL SECTION

Independent Auditor's Report	13
K-1 Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards	15
Required Supplementary Information - Part I Management's Discussion and Analysis	18
Basic Financial Statements	
A. District-wide Financial Statements:	
A-1 Statement of Net Position	27
A-2 Statement of Activities	28
B. Fund Financial Statements:	
Governmental Funds:	
B-1 Balance Sheet	30
B-2 Statement of Revenues, Expenditures, and Changes in Fund Balances	31
B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	32
Proprietary Funds:	
B-4 Statement of Net Position	33
B-5 Statement of Revenues, Expenses, and Changes in Fund Net Position	34
B-6 Statement of Cash Flows	35
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Position	36
B-8 Statement of Changes in Fiduciary Net Position	37
Notes to the Financial Statements	38

Required Supplementary Information - Part II**C. Budgetary Comparison Schedules**

C-1	Budgetary Comparison Schedule - General Fund	57
C-1a	Combining Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (if applicable)	N/A
C-2	Budgetary Comparison Schedule - Special Revenue Fund	64

Notes to the Required Supplementary Information

C-3	Budget-to-GAAP Reconciliation	65
-----	-------------------------------	----

Other Supplementary Information

D.	School Level Schedules :	N/A
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E. Special Revenue Fund:

E-1	Combining Schedule of Revenues and Expenditures Special Revenue Fund - Budgetary Basis	68
-----	---	----

F.	Capital Projects Fund:	N/A
----	------------------------	-----

G. Proprietary Fund:**Enterprise Fund:**

G-1	Statement of Net Position	70
G-2	Statement of Revenues, Expenses and Changes in Fund Net Position	71
G-3	Statement of Cash Flows	72

	Internal Service Fund:	N/A
--	------------------------	-----

H. Fiduciary Funds:

H-1	Combining Statement of Fiduciary Net Position	74
H-2	Combining Statement of Changes in Fiduciary Net Position	75
H-3	Student Activity Agency Fund Schedule of Receipts and Disbursements	76
H-4	Payroll Agency Fund Schedule of Receipts and Disbursements	77

I. Long-Term Debt:

I-1	Schedule of Serial Bonds	79
I-2	Schedule of Obligations under Capital Leases	N/A
I-3	Budgetary Comparison Schedule - Debt Service Fund	80

STATISTICAL SECTION (Unaudited)

J-1	Net Position by Component	82
J-2	Changes in Net Position, Last Ten Fiscal Years	83
J-3	Fund Balances, Governmental Funds, Last Ten Fiscal Years	84
J-4	Changes in Fund Balances, Governmental Funds, Last Ten Fiscal Years	85
J-5	General Fund - Other Local Revenue by Source, Last Ten Fiscal Years	86
J-6	Assessed Value and Actual Value of Taxable Property, Last Ten Fiscal Years	87
J-7	Direct and Overlapping Property Tax Rates, Last Ten Fiscal Years	88
J-8	Principal Property Tax Payers, Current Year and Nine Years Ago	89
J-9	Property Tax Levies and Collections, Last Ten Fiscal Years	90
J-10	Ratios of Outstanding Debt by Type, Last Ten Fiscal Years	91
J-11	Ratios of Net General Bonded Debt Outstanding, Last Ten Fiscal Years	92
J-12	Ratios of Overlapping Governmental Activities Debt, As of December 31, 2013	93
J-13	Legal Debt Margin Information, Last Ten Fiscal Years	94
J-14	Demographic and Economic Statistics	95
J-15	Principal Employers, Current Year & Nine Years Ago (information not available)	N/A
J-16	Full-time Equivalent District Employees by Function/Program, Last Ten Fiscal Years	96
J-17	Operating Statistics, Last Ten Fiscal Years	97
J-18	School Building Information, Last Ten Fiscal Years	98
J-19	Schedule of Required Maintenance, Last Ten Fiscal Years	99
J-20	Insurance Schedule	100

SINGLE AUDIT SECTION

K-2	Report on Compliance with Requirements Applicable for Each Major Program and Report on Internal Control Over Compliance as Required by OMB Circular A-133 and New Jersey OMB Circular Letter 04-04	102
K-3	Schedule of Expenditures of Federal Awards, Schedule A	104
K-4	Schedule of Expenditures of State Financial Assistance, Schedule B	105
K-5	Notes to the Schedules of Awards and Financial Assistance	106
K-6	Schedule of Findings and Questioned Costs	108
K-7	Summary Schedule of Prior Audit Findings	112

Introductory Section

Riverton Public School
600 Fifth Street, Riverton, NJ 08077
www.riverton.k12.nj.us
Telephone: (856) 829-0087
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Mary Ellen Eck, Superintendent

August 15, 2014

Honorable President, Board of Education
and Riverton Citizens
Borough of Riverton School District
Riverton, Burlington County, New Jersey

Dear Citizens:

The comprehensive annual financial report of the Riverton School District for the fiscal year ending June 30, 2014 is hereby submitted. Responsibility for the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner intended to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the general-purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the U.S. Office of Management and Budget Circular A-133, "Audits of State and Local Governments and Non-Profit Organizations", and the State Treasury Circular Letter 04-04 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws, regulations, findings, and recommendations are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES: Riverton School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as established by NCGA Statement No.3. All funds and account groups of the District are included in this report. The Riverton Board of Education and its school constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Preschool(integrated - not universal program) through eight. This includes programming for students eligible for special education services, students identified as gifted and talented and others identified as at risk in specific academic areas. It also includes a comprehensive physical education, health, fine arts, music, media, computer and Spanish instruction. The District completed the 2013/2014 fiscal year with an enrollment of 302 students, which is 16 students more than the previous year's end-of-year enrollment. The budget supports 40 students attending Palmyra High School, our receiving district. The following details the changes in the elementary student enrollment of the District over the last ten years:

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2004-05	225	(8.16%)
2005-06	229	1.78%
2006-07	241	5.24%
2007-08	253	4.98%
2008-09	259	2.37%
2009-10	271	4.63%
2010-11	282	4.06%
2011-12	288	2.13
2012-13	286	(0.7%)
2013-14	302	5.59%

2. ECONOMIC CONDITION AND OUTLOOK: The Riverton School district is a one building district, which is located on the Delaware River in close proximity to Philadelphia and considered part of western Burlington County. Riverton School is a Kindergarten through eighth grade district, but also has an Integrated Preschool. Enrollment is approximately 302 students.

The past and most recent changes in the funding formula and the laws pertaining to school budget have made it difficult for The Riverton Board of Education to budget long term. Each year we face the challenge of paying the high mandated special education costs and high school tuition

while working to maintain an overall effective school program. With a mandated limited surplus, it is impossible to meet the unanticipated costs associated with students with special needs or those who have been placed by another agency, moving into our district. In addition, an increase in "homelessness" has added to unanticipated costs.

Currently, we are providing an excellent education where students perform at the top of the county on state mandated tests while maintaining an efficient budget. The taxpayers in Riverton support more than 87% of the current expense budget. The members of our town have remained supportive and involved even as we moved the election to November.

In the past, the District benefitted from a Foundation, the Friends of Riverton School, which served to strictly fund raise for the district. The funds have been used for facility improvements, including playground, and technology initiatives.

We continue to share services whenever possible. We currently share services for transportation, media/technology, related services, food services, insurance services, and professional development.

Our PTA continues to support the school with contributions to our educational programs through materials and programming. They are most active in helping to rally the community's support and making field trips a reality for all students.

The school strives to serve as a community focal point for many educational and civic activities. The town values the children's education and uses the facility on a regular basis.

3. Major Initiatives: Throughout the school, a strong emphasis continues to be placed on a strong academic foundation, reading real literature in a Balanced Literacy program, the integration of subject matter, and the use of computer technology as a tool to enhance learning. A strong emphasis is on the Common Core Standards as well as the 21st Century themes. Our science and social studies programs are inquiry based and use non-fiction and authentic documents to enrich studies. In math, we combine a traditional approach with the skill mastery with constructivist activities for concept development. The teachers and specialists work cooperatively to provide meaningful educational programs for all students. Each professional shares his/her expertise in planning and implementing effective lessons and programs. Classroom teachers, special education teachers, and specialists meet monthly across grade levels to ensure communication of goals and objectives as well as to brainstorm for creative approaches.

Riverton School District offers a half-day integrated Preschool Program and a full day Kindergarten Program. The instruction of both programs is

thematically based and focuses on academic, social and emotional development. We have found the transition to Kindergarten and grade 1 to be smooth and students are eager for the full day program.

All students in grades K-8 benefit from weekly instruction from the fine arts teacher, the physical education teacher and in grades K-7, from the vocal music teacher. Our media specialist meets with the elementary school students and the middle school students' weekly to provide library skills instruction. The media specialist also coordinates lessons weekly with the computer teacher for research projects.

In our Fine Arts program, all students use a variety of media to create art while learning about art concepts, other cultures, famous artists, and their world. The students benefit from weekly sessions.

In our Music program, students learn songs focusing on social, cultural, and historic values. Programs include a holiday concert, Arbor Day celebration, spring program, Kindergarten graduation, 8th Grade graduation; as well as other performance opportunities as they relate to classroom themes.

Sixth, seventh, and eighth grade students have the opportunity to participate in chorus. The chorus performs at the Burlington County Mall, Moorestown Mall and at school and community events.

Technology Literacy is taught in both the computer lab equipped with 28 personal computers, the Media Center equipped with 20 computers or in the Science lab with our laptop cart. Children are taught familiarity with computer hardware, keyboarding, and higher level thinking skills. They are given opportunities to refine their research abilities using a variety of software sources and the Internet. They apply this knowledge when producing projects assigned by classroom and subject teachers. They are also encouraged and given time to enjoy software and activities that address reading, math, and other academic skills. This year we participated in the State recommended Learning.com curriculum. 100% of our students passed the Technology Literacy Assessment in Grade 8.

We also have a world languages program. Students in all grades have weekly lessons in Spanish provided by a certified teacher of Spanish. There is a stronger emphasis in the sixth through eighth grade program where students meet more often.

Riverton students continue to benefit from a departmentalized middle school in grades six through eight with highly qualified teachers in each subject area.

We continued this year with a computer based assessment to better diagnosis students' needs and strengths. Riverton students historically score in the top quartile on all nationally normed tests. Third through eighth grade

students must take State-mandated assessments. The Assessment of Skills and Knowledge (ASK) in Grades 3, 4, 5, 6, 7 and 8 are administered each spring. All grades perform at the top of our county. All students in Grades 4-7 took the MAP computerized test assessment to determine academic proficiency. Scores were used as part of a rubric to determine eligibility for a Gifted and Talented Program and our Basic Skills Improvement Program.

Extracurricular activities are offered to all students' grades 5 through 8. They consist of kickball, flag football, volleyball, cheerleading, softball and basketball. Clubs include Drama, Newspaper, Student Council, Chess, Technology and Safety Patrol.

In summary, the strong community involvement in our district, our small size, and our quality programming allow active participation in a very positive vein through the school board, the administration, the teaching staff, and a supportive PTA.

4. INTERNAL ACCOUNTING CONTROLS: The management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: 1) the cost of a control should not exceed the benefits likely to be derived; and, 2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the District management.

As part of the District's single audit, tests are made to determine the adequacy of the internal control structure, including that portion related to federal and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

5. BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund and the debt service fund. Project-length budgets are approved for the

capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end either are canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2014.

6. ACCOUNTING SYSTEM AND REPORTS: The District's accounting records reflect GAAP, as promulgated by the GASB. The accounting system of the District is organized based on funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements", Note 1.

7. CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute and detailed in "Notes to the Financial Statements", Note 2. The District has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUPDA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

8. RISK MANAGEMENT: The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

9. OTHER INFORMATION: Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The Board selected the accounting firm of Inverso and Stewart, CPA. In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirements of the Single Audit Act of 1984, the related OMB Circular A-133 and the State Treasury Circular Letter 04-04 OMB. The auditor's report on the general-purpose financial statements, and combining and individual fund statements and schedules, is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

10. ACKNOWLEDGEMENTS: We would like to express our appreciation to the members of the Riverton School Board for their dedication in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our office staff.

Respectfully submitted,



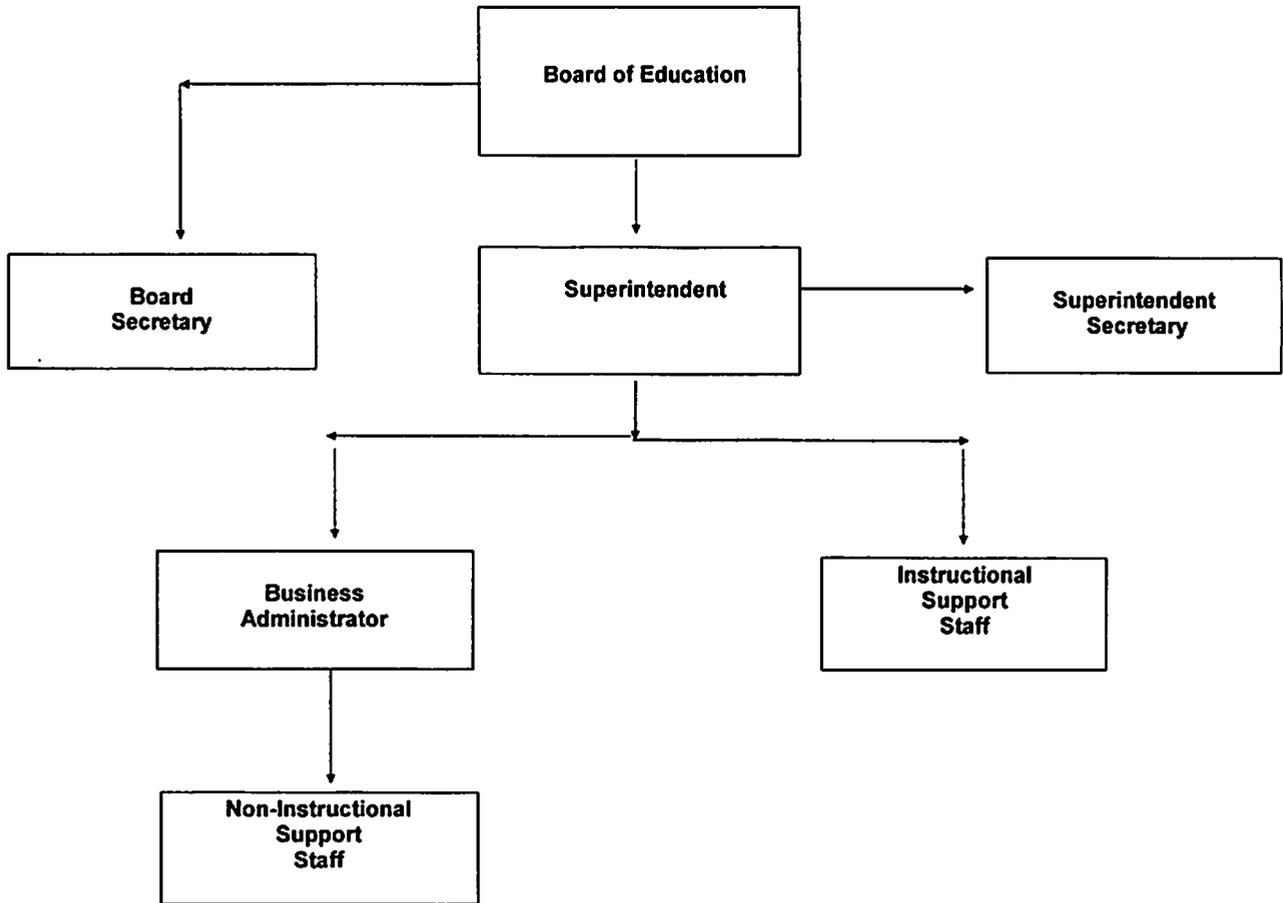
Mary Ellen Eck
Superintendent



Donna Gidjulis
Board Secretary/Business Administrator

RIVERTON BOARD OF EDUCATION

Organizational Chart (UNIT CONTROL)



RIVERTON SCHOOL DISTRICT

Roster of Officials June 30, 2014

Members of the Board of Education:

Term Expires

Walter Croft, President	Jan. 2016
Scott Koste, Vice President	Jan. 2017
JoAnn Corbi	Jan. 2015
Mark DiLeo	Jan. 2017
Jeffrey Elliot	Jan. 2016
Helen Mack	Jan. 2015
Michael V. Sencindiver	Jan. 2016
Robin McGinnis	Jan. 2017
Scott Warnock	Jan. 2015

Other Officials:

Mary Ellen Eck, Superintendent
Donna Gidjunis, Business Administrator/Board Secretary
Thomas Egan, Treasurer
Stephen Mushinski, Esq. Solicitor

**RIVERTON SCHOOL DISTRICT
Consultants and Advisors**

Audit Firm

Inverso & Stewart, LLC
651 Route 73 North, Suite 402
Marlton, NJ 08053

Attorney

Stephen J. Mushinski, Esquire
Acting for Parker/ McCay
9000 Midlantic Drive, Suite 300
PO Box 5054
Mount Laurel, NJ 08054

Official Depository

1st Colonial Bank
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Collingswood, NJ 08108

Financial Section

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Certified Public Accountants

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-Member of-
American Institute of CPAs
New Jersey Society of CPAs

INDEPENDENT AUDITOR'S REPORT

The Honorable President and Members
of the Board of Education
Riverton School District
County of Burlington
Riverton, New Jersey

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Riverton School District, in the County of Burlington, State of New Jersey, as of and for the fiscal year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the School District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Riverton School District, in the County of Burlington, State of New Jersey, as of June 30, 2014, and the respective changes in financial position and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Riverton School District's basic financial statements. The accompanying combining statements and related major fund supporting statements and schedules and Schedules of Expenditures of Federal Awards and State Financial Assistance, as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and State of New Jersey OMB's Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the financial statements.

The accompanying combining statements and related major fund supporting statements and schedules and Schedules of Expenditures of Federal Awards and State Financial Assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information described in the previous paragraph is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

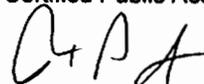
The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, I do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated August 15, 2014 on my consideration of the Riverton School District's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Riverton School District's internal control over financial reporting and compliance.

Respectfully submitted,

INVERSO & STEWART, LLC
Certified Public Accountants



Robert P. Inverso
Certified Public Accountant
Public School Accountant

Marlton, New Jersey
August 15, 2014

INVERSO & STEWART, LLC

Certified Public Accountants

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-Member of-
 American Institute of CPAs
 New Jersey Society of CPAs

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
 AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
 FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
 WITH GOVERNMENT AUDITING STANDARDS**

INDEPENDENT AUDITOR'S REPORT

The Honorable President and Members
 of the Board of Education
 Riverton School District
 County of Burlington
 Riverton, New Jersey

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Riverton School District, in the County of Burlington, State of New Jersey, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued my report thereon dated August 15, 2014.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the Riverton School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, I do not express an opinion on the effectiveness of the Riverton School District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the School District's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Riverton School District's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey in considering the School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

INVERSO & STEWART, LLC
Certified Public Accountants



Robert P. Inverso
Certified Public Accountant
Public School Accountant

Marlton, New Jersey
August 15, 2014

Required Supplementary Information - Part I

Management's Discussion and Analysis

**Riverton School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2014**

As management of the Board of Education of the Borough of Riverton, New Jersey (School District), we offer readers of the School District's financial statements this narrative overview and analysis of the School District for the fiscal year ended June 30, 2014. We encourage readers to consider the information presented in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

Financial Highlights

- The assets of the School District exceeded its liabilities at the close of the most recent fiscal year by \$1,518,851 (*net position*).
- Governmental activities have unrestricted balance of \$127,527. The accounting treatments in the governmental funds for compensated absences payable, and the June state aid payments, and state statutes that prohibit school districts from maintaining more than 2% of its adopted budget as unrestricted fund balance are primarily responsible for this minimal amount.
- The total net position of the School District increased by \$368,379, or a 32.02% increase from the prior fiscal year-end balance. The majority of this increase is attributable to the payment of long-term debt including reduction in the compensated absences balance at year end.
- Fund balance of the School District's governmental funds increased by \$89,266 resulting in an ending fund balance of \$777,038. This was a result of spending approximately 97% of the approved budget.
- Business-type activities have an unrestricted balance of \$13,537, which may be used to meet the School District's ongoing obligations of the food service fund.

Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the School District's basic financial statements. Comparison to the prior year's activity is provided in this document. The basic financial statements are comprised of three components: 1) District-wide financial statements, 2) Fund financial statements, and 3) Notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

District-wide Financial Statements

The *district-wide financial statements* are designed to provide the reader with a broad overview of the financial activities in a manner similar to a private-sector business. The district-wide financial statements include the statement of net position and the statement of activities.

The *statement of net position* presents information about all of the School District's assets and liabilities. The difference between the assets and liabilities is reported as net position. Over time, changes in net position may serve as a useful indicator of whether the financial position of the School District is improving or deteriorating.

The *statement of activities* presents information showing how the net position of the School District changed during the current fiscal year. Changes in net position are recorded in the statement of activities when the underlying event occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement even though the resulting cash flows may be recorded in a future period.

Both of the district-wide financial statements distinguish functions of the School District that are supported from taxes and intergovernmental revenues (*governmental activities*) and other functions that are intended to recover all or most of their costs from user fees and charges (*business-type activities*). Governmental activities consolidate governmental funds including the General Fund, Special Revenue Fund, Capital Projects Fund, and Debt Service Fund. Business-type activities reflect only the Food Service Fund.

Fund Financial Statements

Fund financial statements are designed to demonstrate compliance with finance-related requirements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific objectives. All of the funds of the School District are divided into three categories: *governmental funds*, *proprietary funds* and *fiduciary funds*.

Governmental funds account for essentially the same information reported in the governmental activities of the district-wide financial statements. However, unlike the district-wide financial statements, the governmental fund financial statements focus on near-term financial resources and fund balances. Such information may be useful in evaluating the financing requirements in the near term.

Since the governmental funds and the governmental activities report information using the same functions, it is useful to compare the information presented. Because the focus of each report differs, a reconciliation is provided on the fund financial statements to assist the reader in comparing the near-term requirements with the long-term needs.

The School District maintains four individual governmental funds. The major funds are the General Fund, the Special Revenue Fund, the Capital Projects Fund, and the Debt Service Fund. They are presented separately in the fund financial statements.

The School District adopts an annual appropriated budget for the General Fund, Special Revenue Fund and the Debt Service Fund. A budgetary comparison statement has been provided for each of these funds to demonstrate compliance with budgetary requirements.

Proprietary funds are used to present the same functions as the business-type activities presented in the district-wide financial statements. The School District maintains one type of proprietary fund - the Enterprise Fund. The fund financial statements of the enterprise fund provides the same information as the district-wide financial statements, only in more detail.

The School District's one enterprise fund (Food Service Fund) is listed individually and is considered to be a major fund.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the district-wide financial statements because the resources of those funds are not available to support the School District's programs.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also contains other supplementary information and schedules required by the New Jersey Audit Program, issued by the New Jersey Department of Education.

District-wide Financial Analysis

The assets of the School District are classified as current assets and capital assets. Cash, investments, receivables, inventories and prepaid expenses are current assets. These assets are available to provide resources for the near-term operations of the School District. The majority of the current assets are the results of the tax levy and state aid collection process.

Capital assets are used in the operations of the School District. These assets are land, buildings, improvements and equipment. Capital assets are discussed in greater detail in the section titled, Capital Assets and Debt Administration, elsewhere in this analysis.

Current and long-term liabilities are classified based on anticipated liquidation either in the near-term or in the future. Current liabilities include accounts payable, accrued salaries and benefits, unearned revenues, and current debt obligations. The liquidation of current liabilities is anticipated to be either from currently available resources, current assets or new resources that become available during fiscal year 2014. Long-term liabilities such as long-term debt obligations and compensated absences payable will be liquidated from resources that will become available after fiscal year 2014.

The assets of the primary government activities exceeded liabilities by \$1,489,910 with an unrestricted balance of \$127,527. The net position of the primary government does not include internal balances.

A balance of \$554,541 has been restricted as follows:

Reserve for Encumbrances	\$	16,643
Restricted for Future Maintenance Projects		241,613
Restricted for Future Capital Projects		284,020
Restricted for Excess Surplus		<u>12,265</u>
Total	\$	<u>554,541</u>

**Comparative Summary of Net Position
As of June 30, 2014 and 2013**

	Governmental Activities		Business-Type Activities		District-Wide	
	2014	2013	2014	2013	2014	2013
ASSETS						
Current assets	\$ 802,547	\$ 727,669	\$ 15,439	\$ 29,057	\$ 817,986	\$ 756,726
Capital assets	1,067,842	954,595	15,404		1,083,246	954,595
Total assets	<u>1,870,389</u>	<u>1,682,264</u>	<u>30,843</u>	<u>29,057</u>	<u>1,901,232</u>	<u>1,711,321</u>
LIABILITIES						
Current liabilities	155,509	169,084	1,902	7,533	157,411	176,617
Noncurrent liabilities	224,970	384,232			224,970	384,232
Total liabilities	<u>380,479</u>	<u>553,316</u>	<u>1,902</u>	<u>7,533</u>	<u>382,381</u>	<u>560,849</u>
Net Position	<u>\$ 1,489,910</u>	<u>\$ 1,128,948</u>	<u>\$ 28,941</u>	<u>\$ 21,524</u>	<u>\$ 1,518,851</u>	<u>\$ 1,150,472</u>
Net Position Consists of:						
Invested in Capital Assets	\$ 807,842	\$ 569,595	\$ 15,404		\$ 823,246	\$ 569,595
Restricted Assets	554,541	463,885			554,541	463,885
Unrestricted Assets	<u>127,527</u>	<u>95,468</u>	<u>\$ 13,537</u>	<u>\$ 21,524</u>	<u>141,064</u>	<u>116,992</u>
Net Position	<u>\$ 1,489,910</u>	<u>\$ 1,128,948</u>	<u>\$ 28,941</u>	<u>\$ 21,524</u>	<u>\$ 1,518,851</u>	<u>\$ 1,150,472</u>

Governmental Activities

Governmental activities increased the net position of the School District by \$360,962 during the current fiscal year, thereby accounting for almost all the total increase in the net position of the School District. Key elements of the increase in net position for governmental activities are as follows:

- Reduction of Long-term Debt in the amount of \$157,090
- Excess of current year revenues over expenditures in the amount of \$89,266

Business-type Activities

Business-type activities increased the School District's net position by \$7,417. Operations of the food service fund produced a gain for the current fiscal year.

**Comparative Schedule of Changes in Net Position
As of and for the Fiscal Year Ended June 30, 2014 and 2013**

	Governmental Activities		Business-Type Activities		District-Wide	
	2014	2013	2014	2013	2014	2013
Revenues:						
Charges for services		\$ 17,132	\$ 38,594	\$ 30,799	\$ 38,594	\$ 47,931
Operating grants and contributions	\$ 127,305	515,485	15,454	15,795	142,759	531,280
Property taxes	4,642,321	4,499,585			4,642,321	4,499,585
Debt service taxes	141,748	147,185			141,748	147,185
State aid	893,988	536,860			893,988	536,860
Other revenues	55,853	5,402			55,853	5,402
Total Revenues	5,861,215	5,721,649	54,048	46,594	5,915,263	5,768,243
Expenses:						
Governmental Activities:						
Instruction	1,984,674	1,803,269			1,984,674	1,803,269
Tuition	1,230,509	1,350,683			1,230,509	1,350,683
Related services	515,034	481,126			515,034	481,126
Administrative services	357,607	345,853			357,607	345,853
Operations and Maintenance	365,400	375,243			365,400	375,243
Transportation	93,104	130,989			93,104	130,989
Employee benefits	928,785	977,396			928,785	977,396
Interest on debt	16,748	20,826			16,748	20,826
Other	8,392	5,564			8,392	5,564
Business-Type Activities:						
Food Service			46,631	61,492	46,631	61,492
Total Expenses	5,500,253	5,490,949	46,631	61,492	5,546,884	5,552,441
Increase (Decrease) in Net Position before transfers	360,962	230,700	7,417	(14,898)	368,379	215,802
Transfers						
Change in Net Position	360,962	230,700	7,417	(14,898)	368,379	215,802
Net Position July 1	1,128,948	898,248	21,524	36,422	1,150,472	934,670
Net Position June 30	\$ 1,489,910	\$ 1,128,948	\$ 28,941	\$ 21,524	\$ 1,518,851	\$ 1,150,472

Financial Analysis of the Governmental Funds

As noted earlier, the School District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds - The focus of the School District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the School District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the School District's governmental funds reported a combined ending fund balance of \$777,038, an increase of \$89,266 in comparison with the prior year.

The School District has an unassigned fund balance for the General Fund of \$222,497. The remainder of the fund balance is restricted to indicate that it is not available for new spending because it has already been assigned, as follows: 1) \$16,643 for year-end encumbrances, 2) \$241,613 restricted for future maintenance costs, 3) \$284,020 restricted for future capital projects and 4) \$12,265 restricted for excess surplus.

The general fund is the chief operating fund of the School District. The balance in the unreserved fund balance is limited primarily, due to the accounting treatment of the June state aid payments and state statutes that prohibit New Jersey school districts from maintaining more than 2% of its adopted budget as unreserved fund balance.

Revenue in the special revenue fund is generally recognized at the time that the outlays are identified; therefore no fund balances are normally generated.

General Fund Budgetary Highlights

There was no difference between the original budget and the final amended budget.

At the end of the current fiscal year, unreserved fund balance (budgetary basis) of the general fund was \$255,203, while total fund balance (budgetary basis) was \$809,744. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance (budgetary basis) and total fund balance (budgetary basis) to total general fund expenditures. Actual (budgetary basis) expenditures of the General Fund including other financing uses amounted to \$5,502,896. Unassigned fund balance (budgetary basis) represents 4.64% of expenditures while total fund balance (budgetary basis) represents 14.71% of that same amount.

Capital Asset and Debt Administration

The School District's investment in capital assets for its governmental activities as of June 30, 2014, totaled \$1,067,842 (net of accumulated depreciation). This investment in capital assets includes land, improvements, buildings and equipment. The total increase in the District's investment in capital assets for the current fiscal year was \$113,247 or an 11.86% increase.

Major capital assets events during the current fiscal year included the following:

- Depreciation expense for the current fiscal year was \$97,509.
- The District purchased equipment totaling \$210,950 during the current fiscal year.

Capital Asset (net of accumulated depreciation) June 30, 2014 and 2013

	Governmental Activities		Business-type Activities		District-Wide	
	2014	2013	2014	2013	2014	2013
Land	\$ 649,600	\$ 649,600	\$ -	\$ -	\$ 649,600	\$ 649,600
Site Improvements	39,194	37,204			39,194	37,204
Building and Building Improvements	36,713	46,742			36,713	46,742
Equipment	342,335	221,049	15,404		357,739	221,049
Total	\$ 1,067,842	\$ 954,595	\$ 15,404	\$ -	\$ 1,083,246	\$ 954,595

Additional information on the School District's capital assets can be found in the notes to the basic financial statements (Note 5) of this report.

Long-term debt – During the fiscal year ended June 30, 2014, the School District had total bonded debt outstanding of \$260,000 backed by the full faith and credit of the School District. General obligation bonds for the School District decreased during the current fiscal year according to the normal schedule of payments.

The 2014-15 adopted budget has an appropriation of \$130,000 representing the payment of the annual principal. The bonds final maturity date is April 1, 2016.

State statutes limit the amount of general obligation debt that the District may issue. At the end of the current fiscal year, the legal debt limit was \$7,914,354 and the legal debt margin was \$7,654,354.

Additional information on the School District's long-term obligations can be found in the notes to the basic financial statements (Note 6) of this report.

Economic Factors and Next Year's Budgets and Rates

For the 2014-2015 school year, the School District was able to sustain its budget through the tax levy, federal aid, state aid, and miscellaneous revenue sources. One of the most important factors affecting the School District's budget is the amount of state aid it will receive in comparison to its enrollment. The 2014-2015 budget was adopted based no increase in aid from the State of New Jersey and a \$26,231 increase in school property taxes. The School District continues to examine its costs in an effort to prevent additional burden on the taxpayers of the municipality.

Requests for Information

This financial report is designed to provide a general overview of the School District's finances for all those with an interest in the School District. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Riverton School District Business Administrator, 600 Fifth Street, Riverton, New Jersey, 08077, telephone number (856) 829-0974.

Basic Financial Statements

District-Wide Financial Statements

RIVERTON SCHOOL DISTRICT
Statement of Net Position
June 30, 2014

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS:			
Cash and cash equivalents	\$ 765,565	\$ 14,502	\$ 780,067
Receivables, net			
Intergovernmental	36,778	937	37,715
Other	204		204
Capital assets, net (Note 5)	<u>1,067,842</u>	<u>15,404</u>	<u>1,083,246</u>
Total Assets	<u>1,870,389</u>	<u>30,843</u>	<u>1,901,232</u>
LIABILITIES:			
Accounts payable	21,384		21,384
Unearned revenue	4,125	1,902	6,027
Accrued interest	2,828		2,828
Noncurrent liabilities (Note 6):			
Due within one year	130,000		130,000
Due beyond one year	<u>222,142</u>		<u>222,142</u>
Total Liabilities	<u>380,479</u>	<u>1,902</u>	<u>382,381</u>
NET POSITION:			
Net Investment in Capital Assets	807,842	15,404	823,246
Restricted for:			
Capital projects	284,020		284,020
Other purposes	270,521		270,521
Unrestricted	<u>127,527</u>	<u>13,537</u>	<u>141,064</u>
Total Net Position	<u>\$ 1,489,910</u>	<u>\$ 28,941</u>	<u>\$ 1,518,851</u>

The accompanying Notes to the Basic Financial Statements are an integral part of this statement.

RIVERTON SCHOOL DISTRICT
Statement of Changes in Net Position
For the Fiscal Year Ended June 30, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 1,508,251		\$ 23,371		\$ (1,484,880)		\$ (1,484,880)
Special education	337,929		78,284		(259,645)		(259,645)
Other instruction	138,494				(138,494)		(138,494)
Support Services:							
Tuition	1,230,509				(1,230,509)		(1,230,509)
Student & instruction related services	515,034		22,620		(492,414)		(492,414)
General administrative services	357,607				(357,607)		(357,607)
Plant operations and maintenance	365,400		3,030		(362,370)		(362,370)
Pupil transportation	93,104				(93,104)		(93,104)
Allocated and unallocated benefits	928,785				(928,785)		(928,785)
Interest on long-term debt	16,748				(16,748)		(16,748)
Unallocated depreciation and amortization	8,392				(8,392)		(8,392)
Total Governmental Activities	5,500,253		127,305		(5,372,948)		(5,372,948)
Business-Type Activities:							
Food service	46,631	\$ 38,594	15,454			\$ 7,417	7,417
Total Business-Type Activities	46,631	38,594	15,454			7,417	7,417
Total Primary Government	\$ 5,546,884	\$ 38,594	\$ 142,759	\$ -	(5,372,948)	7,417	(5,365,531)
General revenues:							
Taxes:							
					4,642,321		4,642,321
					141,748		141,748
					893,988		893,988
					55,853		55,853
					<u>5,733,910</u>		<u>5,733,910</u>
					360,962	7,417	368,379
					<u>1,128,948</u>	<u>21,524</u>	<u>1,150,472</u>
					<u>\$ 1,489,910</u>	<u>\$ 28,941</u>	<u>\$ 1,518,851</u>

The accompanying Notes to the Basic Financial Statements are an integral part of this statement.

Fund Financial Statements

RIVERTON SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2014

ASSETS	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
Assets:					
Cash and cash equivalents	\$ 765,565				\$ 765,565
Interfund Receivable	22,616				22,616
Receivables from Other Governments:					
Local	2,760				2,760
State	11,606				11,606
Federal		\$ 22,412			22,412
Total Assets	<u>802,547</u>	<u>22,412</u>	<u>-</u>	<u>-</u>	<u>824,959</u>
 LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	21,384				21,384
Interfund payable		22,412			22,412
Intergovernmental Accounts Payable					
Unearned revenue	4,125				4,125
Total Liabilities	<u>25,509</u>	<u>22,412</u>			<u>47,921</u>
 Fund Balances:					
Restricted for:					
Capital reserve	284,020				284,020
Maintenance reserve	241,613				241,613
Excess Surplus	12,265				12,265
Assigned to:					
Year-end encumbrances	16,643				16,643
Subsequent year's budget					
Unassigned	222,497				222,497
Total Fund Balances	<u>777,038</u>				<u>777,038</u>
Total Liabilities and Fund Balances	<u>\$ 802,547</u>	<u>\$ 22,412</u>	<u>\$ -</u>	<u>\$ -</u>	

Amounts reported for governmental activities in the statement of net position (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$2,516,604 and the accumulated depreciation is \$1,448,762 1,067,842

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds

General Obligation Bonds	\$ (260,000)	
Accrued Interest Payable	(2,828)	
Compensated Absences Payable	<u>(92,142)</u>	
		<u>(354,970)</u>

Net Position of Governmental Activities \$ 1,489,910

The accompanying Notes to the Basic Financial Statements are an integral part of this statement.

RIVERTON SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2014

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Local sources:					
Local tax levy	\$ 4,642,321			\$ 141,748	\$ 4,784,069
Tuition	50,162				50,162
Miscellaneous	5,691	\$ 1,000			6,691
Total local sources	4,698,174	1,000		141,748	4,840,922
State sources	893,988	6,599			900,587
Federal sources		119,706			119,706
Total Revenues	5,592,162	127,305		141,748	5,861,215
EXPENDITURES:					
Current expense:					
Regular instruction	1,448,714	23,371			1,472,085
Special education instruction	259,645	78,284			337,929
Other instruction	138,494				138,494
Support services and undistributed costs:					
Tuition	1,230,509				1,230,509
Student & instruction related services	492,414	22,620			515,034
General administrative services	347,856				347,856
Plant operations and maintenance	396,311				396,311
Pupil transportation	93,104				93,104
Allocated benefits	568,510				568,510
Unallocated benefits	360,275				360,275
Capital outlay	167,064	3,030			170,094
Debt service:					
Principal				125,000	125,000
Interest and other charges				16,748	16,748
Total Expenditures	5,502,896	127,305		141,748	5,771,949
Excess (deficiency) of revenues over (under) expenditures	89,266				89,266
Fund Balances - July 1, 2013	687,772				687,772
Fund Balances - June 30, 2014	\$ 777,038	\$ -	\$ -	\$ -	\$ 777,038

The accompanying Notes to the Basic Financial Statements are an integral part of this statement.

RIVERTON SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Fiscal Year Ended June 30, 2014

Total net change in fund balances - governmental funds (from B-2)	\$	89,266
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
<p>Governmental Funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.</p>		
Depreciation expense	\$ (97,509)	
Fixed assets disposals	(194)	
Fixed assets additions	<u>210,950</u>	113,247
<p>Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.</p>		
		125,000
<p>Interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. This amount is the net effect of the difference in the treatment of interest on long-term debt.</p>		
		1,359
<p>In the statement of activities, certain operating expenses, (e.g. compensated absences) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+)</p>		
		<u>32,090</u>
Change in Net Position of Governmental Activities	\$	<u>360,962</u>

The accompanying Notes to the Basic Financial Statements are an integral part of this statement.

RIVERTON SCHOOL DISTRICT
Statement of Net Position
Proprietary Funds
June 30, 2014

	<u>Food Service Fund</u>
ASSETS:	
Current Assets:	
Cash and cash equivalents	\$ 14,502
Intergovernmental receivables:	
State	40
Federal	897
	<hr/>
Total current assets	15,439
Non-current assets:	
Machinery and equipment (net of accumulated depreciation)	15,404
	<hr/>
Total non-current assets	15,404
Total assets	<u>30,843</u>
LIABILITIES:	
Current liabilities:	
Accounts payable	
Unearned revenues	1,902
	<hr/>
Total Current liabilities	1,902
NET POSITION:	
Net investment in capital assets	15,404
Unrestricted	13,537
	<hr/>
Total net position	<u>\$ 28,941</u>

The accompanying Notes to the Basic Financial Statements are an integral part of this statement.

RIVERTON SCHOOL DISTRICT
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2014

	<u>Food Service Fund</u>
Operating Revenues:	
Charges for services:	
Daily sales:	
Reimbursable programs	\$ 30,206
Non-reimbursable programs	<u>8,388</u>
Total operating revenue	<u>38,594</u>
Operating Expenses:	
Supplies and materials	5,131
Cost of sales	39,866
Depreciation	1,027
Direct expenses	<u>607</u>
Total operating expenses	<u>46,631</u>
Operating income (loss)	<u>(8,037)</u>
Non-Operating Revenues (Expenses):	
State sources:	
State school lunch program	687
Federal sources:	
National school lunch program	<u>14,767</u>
Total non-operating revenues	<u>15,454</u>
Income (loss) before contributions and transfers	7,417
Contributed Capital	<u> </u>
Changes in net position	7,417
Net Position - July 1, 2013	<u>21,524</u>
Net Position - June 30, 2014	<u>\$ 28,941</u>

The accompanying Notes to the Basic Financial Statements are an integral part of this statement.

RIVERTON SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2014

	<u>Food Service Fund</u>
Cash Flows from Operating Activities:	
Cash receipts from customers	\$ 40,497
Cash payments to suppliers for goods and services	<u>(53,138)</u>
Net cash used by operating activities	<u>(12,641)</u>
Cash Flows from Non-capital Financing Activities:	
Cash received from state sources	677
Cash received from federal sources	<u>14,577</u>
Net cash provided by non-capital financing activities	<u>15,254</u>
Cash Flows From Capital and Related Financing Activities	
Purchase of capital assets	<u>(16,431)</u>
Cash Flow From Investing Activities:	
Interest on cash equivalents	<u> </u>
Net increase (decrease) in cash and cash equivalents	(13,818)
Cash and cash equivalents - July 1, 2013	<u>28,320</u>
Cash and cash equivalents - June 30, 2014	<u>\$ 14,502</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (used) by Operating Activities:	
Operating Income (Loss)	\$ (8,037)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:	
Depreciation	1,027
Increase (decrease) in accounts payable	(5,675)
Increase (decrease) in deferred revenues	<u>44</u>
Net cash provided by (used for) operating activities	<u>\$ (12,641)</u>
Noncash Non-capital Financing Activities:	
During the year the District did not receive any food commodities from the U.S. Department of Agriculture.	

The accompanying Notes to the Basic Financial Statements are an integral part of this statement.

**RIVERTON SCHOOL DISTRICT
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2014**

	Trust Funds		
	Unemployment Compensation Trust	Flexible Benefit Trust	Agency Funds
ASSETS:			
Cash and cash equivalents	\$ 65,563	\$ 2,142	\$ 18,697
Total Assets	65,563	2,142	18,697
 LIABILITIES:			
Interfund Payable			204
Payroll deductions and withholdings			18
Due to student groups			18,475
Total Liabilities			\$ 18,697
 NET POSITION			
Held in trust for claims	\$ 65,563	\$ 2,142	

The accompanying Notes to the Basic Financial Statements are an integral part of this statement.

RIVERTON SCHOOL DISTRICT
Statement of Changes in Fiduciary Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2014

	Flexible Benefits Trust Fund	Unemployment Compensation Insurance Trust Fund
	<u> </u>	<u> </u>
ADDITIONS:		
Contributions:		
Employee	\$ 3,450	\$ 3,911
Employer		
Total Contributions	<u> 3,450</u>	<u> 3,911</u>
Investment earnings:		
Interest earned	<u> 9</u>	<u> 265</u>
Total Additions	<u> 3,459</u>	<u> 4,176</u>
DEDUCTIONS:		
Claims paid	<u> 2,821</u>	<u> 453</u>
Total Deductions	<u> 2,821</u>	<u> 453</u>
Change in Net Position	638	3,723
Net Position - July 1, 2013	<u> 1,504</u>	<u> 61,840</u>
Net Position - June 30, 2014	<u><u> 2,142</u></u>	<u><u> 65,563</u></u>

The accompanying Notes to the Basic Financial Statements are an integral part of this statement.

**Riverton School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2014**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity - The Riverton School District ("School District") is a Type II district located in the County of Burlington, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board of Education is comprised of nine members elected to three-year terms. These terms are staggered so that three member's terms expire each year. The purpose of the School District is to provide educational services for resident students in grades K through 8. Student in grades 9 through 12 attend the Palmyra School District, on a tuition basis. The Riverton School District has an approximate enrollment at June 30, 2014 of 303 students.

The primary criteria for including activities within the School District's reporting entity, as set forth in Section 2100 of the Governmental Accounting Standards Board (GASB) *Codification of Governmental Accounting and Financial Reporting Standards* is the degree of oversight responsibility maintained by the School District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The combined financial statements include all funds of the School district over which the Board exercises operating control. There were no additional entities required to be included in the reporting entity under the criteria as described above. Furthermore, the School District is not includable in any other reporting entity on the basis of such criteria.

Basis of Presentation

The basic financial statements of the School District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The School District also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989 to its governmental and business-type activities and to its proprietary funds, provided they do not conflict with or contradict GASB pronouncements. The more significant of the School District's accounting policies are described below.

The School District's basic financial statements consists of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

Government-wide Statements - The statement of net position and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the School District that are governmental and those that are considered business-type activities. The statement of net position presents the financial condition of the governmental and business-type activities of the School District at fiscal year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the School District's governmental activities and for the business-type activities of the School District. Direct expenses are those that are specifically associated with a service, program or department and, therefore, clearly identifiable to a particular function. The policy of the School District is to not allocate indirect expenses to functions in the statement of activities. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the School District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the School District.

**Riverton School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2014**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements - During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a single column. The fiduciary fund is reported by type. The School District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary, and fiduciary.

Governmental Funds - Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the School District's major governmental funds:

General Fund - The general fund is the general operating fund of the School District and is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or non-instructional equipment classified in the capital outlay sub-fund.

As required by the New Jersey State Department of Education, the School District includes budgeted capital outlay in this fund. Accounting principles generally accepted in the United States of America as they pertain to governmental entities state that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey aid, district taxes and appropriated fund balance. Expenditures are those which result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment.

Special Revenue Fund - The special revenue fund is used to account for and report the proceeds of specific revenues sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Capital Projects Fund - The capital projects fund is used to account and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets, other than those financed by proprietary funds. The financial resources are derived from New Jersey Economic Development Authority grants, temporary notes or serial bonds which are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

Debt Service Fund - The debt service fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Proprietary Funds - Proprietary funds are used to account for the School District's ongoing activities, which are similar to those in the private sector.

**Riverton School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2014**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Enterprise Funds – The enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the School District is that all costs (expenses, including depreciation) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or, where the School District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The School District's enterprise funds are:

Food Service Fund - This fund accounts for the financial transactions related to the food service operations of the School District.

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities, whether current or noncurrent, associated with their activity are included on their balance sheets. Their reported fund equity (net position) is segregated into investment in capital assets, net of related debt, and unrestricted, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total position.

Depreciation of all exhaustive fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Equipment	12 Years
Light Trucks and Vehicles	4 Years
Heavy Trucks and Vehicles	6 Years

Fiduciary Funds - Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into two classifications: trust funds and agency funds. Agency funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds (i.e. payroll and student activities). They are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District has four fiduciary funds; an unemployment compensation trust fund, a flexible benefit spending trust fund, a student activity fund, and a payroll fund.

Measurement Focus

Government-wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the School District are included on the statement of net position.

Fund Financial Statements – All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e. revenues and other financing sources) and uses (i.e. expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net position. The statement of changes in net position presents increases (i.e. revenues) and decreases (i.e. expenses) in net total position. The statement of cash flows provides information about how the School District finances and meets the cash flow needs of its proprietary activities. Fiduciary funds are reported using the economic resources measurement focus.

**Riverton School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2014**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

Revenues - Exchange and Non-exchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Measurable" means the amount of the transaction can be determined and "available" means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within sixty days after fiscal year end.

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include Ad Valorem (property) taxes, grants, entitlements, and donations. Ad Valorem (Property) Taxes are susceptible to accrual, as under New Jersey State Statute, a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The School District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year since the revenue is both measurable and available. The School District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". With the exception of restricted formula aids recorded in the special revenue fund, revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end; tuition, grants, fees, and rentals.

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the fiscal year is reported in the operating statement as an expense. Unused donated commodities are reported as deferred revenue. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

Budgets/Budgetary Control - Annual appropriated budgets are prepared in the spring of each fiscal year for the general, special revenue, and debt service funds. The budgets are submitted to the county office and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:23A-16.2(f)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23A-13.3.

Formal budgetary integration into the accounting system is employed as a management control device during the fiscal year. For governmental funds there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America with the exception of the legally mandated revenue recognition of the one or more June state aid payments for budgetary purposes only and the special revenue fund. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year-end.

The accounting records of the special revenue fund are maintained on the budgetary basis. The budgetary basis differs from GAAP in that the budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

**Riverton School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2014**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgets/Budgetary Control (Continued) - The budget, as detailed on Exhibit C-1, Exhibit C-2 and Exhibit I-3, includes all amendments to the adopted budget, if any.

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounting as presented in the general fund budgetary comparison schedule and the special revenue fund budgetary comparison schedule to the GAAP basis of accounting as presented in the statement of revenues, expenditures and changes in fund balances – governmental funds. Note that the School District does not report encumbrances outstanding at year end as expenditures in the general fund since the general fund budget follows modified accrual basis with the exception of the revenue recognition policy for the one or more June state aid payments.

Encumbrances - Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Encumbrances are a component of fund balance at fiscal year-end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services. Open encumbrances in governmental funds, other than the special revenue fund, which have not been previously restricted, committed, or assigned, should be included within committed or assigned fund balance, as appropriate.

Open encumbrances in the special revenue fund, however, for which the School District has received advances of grant awards, are reflected in the balance sheet as deferred revenues at fiscal year end.

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

Cash, Cash Equivalents and Investments - Cash and cash equivalents, for all funds, include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. Such is the definition of cash and cash equivalents used in the statement of cash flows for the proprietary funds. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. N.J.S.A. 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act (GUDPA), a multiple financial institution collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the governmental units.

Tuition Receivable - Tuition charges were established by the School District based on estimated costs. The charges are subject to adjustment when the final costs are determined.

Tuition Payable - Tuition charges for the fiscal years ended June 30, 2014 and 2013 were based on rates established by the receiving school district. These rates are subject to change when the actual costs have been determined.

Inventories - The cost of inventories in governmental fund types is recorded as expenditures when purchased rather than when consumed, and is not recorded since any amounts are considered immaterial to the basic financial statements.

The proprietary fund type does not maintain any inventories as the School District has contracted with another governmental entity to purchase prepared lunches.

**Riverton School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2014**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Prepaid Expenses - Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2014.

In the governmental fund types, however, payments for prepaid items are fully recognized as an expenditure in the fiscal year of payment. No asset for the prepayment is created, and no expenditure allocation to future accounting periods is required (*non-allocation method*). This is consistent with the basic governmental concept that only expendable financial resources are reported by a specific fund.

Deferred Expenditures - Deferred expenditures are disbursements that are made in one period, but are more accurately reflected as an expenditure/expense in the next fiscal period. Unlike prepaid expenses, deferred expenditures are not regularly recurring cost of operations.

Short-Term Interfund Receivables / Payables - Short-term interfund receivables / payables represent amounts that are owed, other than charges for goods or services rendered to / from a particular fund in the School District and that are due within one year. These amounts are eliminated in the governmental and business-type columns of the statement of net position, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances.

Capital Assets - General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net position and the proprietary fund statement of net position.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the fiscal year. Donated fixed assets are recorded at their fair market value as of the date received. The School District maintains a capitalization threshold of \$2,000.00. The School District does not possess any infrastructure. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets.

Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activities Estimated Lives</u>
Land and Improvements	10-20 years	N/A
Buildings and Improvements	10-50 years	N/A
Furniture and Equipment	5-20 years	12 years
Vehicles	5-10 years	4-6 years

Accrued Salaries and Wages - Certain School District employees, who provide services to the School District over the ten-month academic year, have the option to have their salaries evenly disbursed during the twelve-month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account. As of June 30, 2014, the amounts earned by these employees were disbursed to the employees' own individual credit union accounts.

Compensated Absences - Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the School District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the School District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

**Riverton School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2014**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences (Continued) - The entire compensated absence liability is reported on the government-wide financial statements.

For governmental funds, the current portion of unpaid compensated absences is the amount that is normally expected to be paid with expendable available financial resources. In proprietary funds, the entire amount of compensated absences is recorded as a fund liability.

Unearned Revenue - Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Accrued Liabilities and Long-Term Obligations - All payables, accrued liabilities, and long-term obligations are reported on the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, claims and judgments, compensated absences, special termination benefits and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable available financial resources. Bonds are recognized as a liability on the fund financial statements when due.

Net Position - Net position represents the difference between the summation of assets and deferred outflows of resources, and the summation of liabilities and deferred inflows of resources. Net position is classified into the following three components:

Net investment in capital assets - This component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for the acquisition, construction, or improvement of those assets.

Restricted - Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or law or regulations of other governments.

Unrestricted - Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

It is the School District's policy to apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted assets are available.

Fund Balance - The School District reports fund balance in classifications that comprise a hierarchy based primarily on the extent to which the School District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The School District's classifications, and policies for determining such classifications, are as follows:

Nonspendable - The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The "not in spendable form" criteria includes items that are not expected to be converted to cash, such as inventories and prepaid amounts. The School District had no nonspendable fund balance at June 30, 2014.

Restricted - This fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources either by being (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed - This fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision making authority, which for the School District is the Board of Education. Once committed, amounts cannot be used for any other purpose unless the Board of Education removes, or changes, the specified use by taking the same type of action imposing the commitment.

**Riverton School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2014**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balance (Continued)

Assigned – This fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes, but are neither restricted nor committed. *Intent* is expressed by either the Board of Education or by the Business Administrator, to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes.

Unassigned – This fund balance classification is the residual classification for the General Fund. It represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, it is the School District's policy to spend restricted fund balances first. Likewise, when an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be used, it is the policy of the School District to spend fund balances, if appropriate, in the following order: committed, assigned, then unassigned.

Operating and Non-Operating Revenues and Expenses - Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the School District, these revenues are sales for the food service program and tuition for the before and after school program. Non-operating revenues principally consist of interest income earned on various interest bearing accounts and federal and state subsidy reimbursements for the food service program.

Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the fund. There are no non-operating expenses

Interfund Activity - Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds. Reimbursements from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United State of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

2. CASH AND CASH EQUIVALENTS

School District's deposits might not be recovered. Although the School District does not have a formal policy regarding **Custodial Credit Risk Related to Deposits** – Custodial credit risk refers to the risk that, in the event of a bank failure, the credit risk, N.J.S.A. 17:9-41et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Unit (GUDPA). Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the School district in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings of funds that pass to the School District relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized. Of the School District's amount on deposit of \$1,241,677 as of June 30, 2014, \$250,000 was insured under FDIC and the remaining balance of \$991,677 was collateralized under GUDPA.

**Riverton School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2014**

3. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the School District for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget. Funds placed in the capital reserve account are restricted to capital projects in the School District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the New Jersey Department of Education, a school district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at fiscal year-end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A school district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2013 to June 30, 2014 fiscal year is as follows:

Balance July 1, 2013		\$		128,530
Increased by:				
Interest Earned	\$		490	
Board Resolution			<u>155,000</u>	
				<u>155,490</u>
				284,020
Decreased by:				
Board Resolution				<u>-</u>
Balance June 30, 2014		\$		<u>284,020</u>

The June 30, 2014 capital reserve balance does not exceed the LRFP balance of local support costs of uncompleted projects.

4. ACCOUNTS RECEIVABLES

Accounts receivables at June 30, 2014 consisted of accounts (fees) and intergovernmental grants. All intergovernmental receivables are considered collectible in full due to the stable condition of State programs and the current fiscal year guarantee of federal funds.

Accounts receivable at June 30, 2014 for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Proprietary Fund</u>	<u>Total</u>
Intergovernmental				
State	\$ 11,606		\$ 40	\$ 11,646
Federal		\$ 22,412	897	23,309
Other	<u>2,760</u>			<u>2,760</u>
Total	<u>\$ 14,366</u>	<u>\$ 22,412</u>	<u>\$ 937</u>	<u>\$ 37,715</u>

**Riverton School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2014**

5. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2014, was as follows:

	<u>Balance June 30, 2014</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance June 30, 2014</u>
Governmental Activities:				
<i>Capital Assets, not being depreciated:</i>				
Land	\$ 649,600			\$ 649,600
Construction in progress				
Total capital assets, not being Depreciated	<u>649,600</u>			<u>649,600</u>
<i>Capital Assets, being depreciated:</i>				
Site Improvements	62,307	\$ 16,220		78,527
Building and Building Improvements	1,143,065			1,143,065
Equipment	637,362	194,730	\$ 186,680	645,412
Totals at historical cost	<u>1,842,734</u>	<u>210,950</u>	<u>186,680</u>	<u>1,867,004</u>
<i>Less Accumulated Depreciation:</i>				
Site Improvements	25,103	14,230		39,333
Building and Building Improvements	1,096,323	10,029		1,106,352
Equipment	416,313	73,250	186,486	303,077
Totals accumulated depreciation	<u>1,537,739</u>	<u>97,509</u>	<u>186,486</u>	<u>1,448,762</u>
Total Capital Assets, being depreciated, net	<u>304,995</u>	<u>113,441</u>	<u>194</u>	<u>418,242</u>
Governmental Activities Capital Assets, Net	<u>\$ 954,595</u>	<u>\$ 113,441</u>	<u>\$ 194</u>	<u>1,067,842</u>
Business-Type Activities:				
<i>Capital Assets, being depreciated:</i>				
Equipment		\$ 16,431		\$ 16,431
<i>Less Accumulated Depreciation:</i>				
		<u>1,027</u>		<u>1,027</u>
Governmental Activities Capital Assets, Net		<u>\$ 15,404</u>		<u>\$ 15,404</u>

Depreciation expense in the amount of \$97,509 was charged to governmental functions as follows:

<u>Function</u>	<u>Amount</u>
Regular Instruction	\$ 68,256
General Administration	9,751
Plant Operations and Maintenance	9,751
Unallocated	<u>9,751</u>
Total depreciation expense	<u>\$ 97,509</u>

**Riverton School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2014**

6. LONG-TERM OBLIGATIONS

During the fiscal year ended June 30, 2014, the following changes occurred in long-term obligations:

	<u>Principal Outstanding June 30, 2013</u>	<u>Additions</u>	<u>Reductions</u>	<u>Principal Outstanding June 30, 2014</u>	<u>Due Within One Year</u>
Governmental Activities:					
Compensated Absences	\$ 124,232		\$ 32,090	\$ 92,142	
General Obligation Bonds	<u>385,000</u>		<u>125,000</u>	<u>260,000</u>	<u>\$ 130,000</u>
	<u>\$ 509,232</u>	<u>\$ -</u>	<u>\$ 157,090</u>	<u>\$ 352,142</u>	<u>\$ 130,000</u>

Bonds Payable - Bonds and loans are authorized in accordance with State law by the voters of the School District through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the School District are as follows:

2001 General Obligation Bonds dated April 1, 2001 in the amount of \$260,000 due in annual installments through April 1, 2016, bearing interest rate of 4.35%

As of June 30, 2014, principal and interest due on bonds outstanding is as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 130,000	\$ 11,310	\$ 141,310
2016	<u>130,000</u>	<u>5,655</u>	<u>135,655</u>
	<u>\$ 260,000</u>	<u>\$ 16,965</u>	<u>\$ 276,965</u>

As of June 30, 2014 the School District had no authorizations to issue additional bonded debt.

Compensated Absences - Compensated absences will be paid from the fund from which the employees' salaries are paid.

7. OPERATING LEASES

At June 30, 2014, the School District had operating lease agreements in effect for copy machines. Total rental payments for such leases were \$13,909 for the fiscal year ended June 30, 2014. The future minimum lease payments for these leases are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2015	\$ 12,262
2016	<u>8,222</u>
	<u>\$ 20,484</u>

**Riverton School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2014**

8. PENSION PLANS

Description of Plans – Substantially all of the School District's employees participate in one of the following pension plans which have been established by State statute, and are administered by the New Jersey Division of Pensions and Benefits (Division): the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS) or the Defined Contribution Retirement Program (DCRP). Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the State of New Jersey, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625-0295.

Teachers' Pension and Annuity Fund (TPAF)

The Teachers' Pension and Annuity Fund is a cost-sharing contributory defined benefit pension plan which was established on January 1, 1955, under the provisions of N.J.S.A. 18A:66. The TPAF provides retirement, death and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 18A:66.

The contribution requirements of plan members are determined by State statute. In accordance with Chapters 113, 114, 115, P.L. 1997, plan members enrolled in the TPAF were required to contribute 5% of their annual covered salary. Effective July 1, 2007, however, in accordance with Chapter 92 and Chapter 103, P.L. 2007, plan members were required to contribute 5.5% of their annual covered salary. For employees who were enrolled in the retirement system prior to July 1, 2007, the increase was effective with the payroll period that began immediately after July 1, 2007. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate was increased to 6.5%. An additional 1.0% increase is being phased-in over seven years beginning on July 1, 2012. The State Treasurer has the right under current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist.

Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the School District and all other related non-contributing employers. No normal or accrued liability contribution by the School District has been required over the several preceding fiscal years.

Public Employees' Retirement System (PERS)

The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established on January 1, 1955. The PERS provides retirement, death and disability, and medical benefits to certain qualified members. Vesting and benefit provisions are established by N.J.S.A. 43:15A and 43:3B.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 62, P.L. 1994, plan members enrolled in the Public Employees' Retirement System were required to contribute 5% of their annual covered salary. Effective July 1, 2008, however, in accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. For employees enrolled in the retirement system prior to July 1, 2008, the increase is effective with the payroll period that begins immediately after July 1, 2008. Pursuant to the provisions of Chapter 78, P.L. 2011, effective October 1, 2011, the active member contribution rate was increased to 6.5%. An additional 1.0% increase is being phased-in over seven years beginning on July 1, 2012. The State Treasurer has the right under the current law to make temporary reductions in rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist.

The School District is billed annually for its normal contribution plus any accrued liability. The School District's contributions, equal to the required contribution for each fiscal year, were as follows:

Fiscal Year	Normal Contributions	Adjustment	Accrued Liability	Non Contributory Life	Total Liability Paid by District
2014	\$ 7,667	\$ (2,944)	\$ 20,769	\$ 434	\$ 25,926
2013	6,743		16,123	1,361	24,227
2012	10,658		21,315	2,037	34,010

**Riverton School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2014**

8. PENSION PLANS (Continued)

Defined Contribution Retirement Program (DCRP)

The Defined Contribution Retirement Program is a cost-sharing multiple-employer defined contribution pension plan which was established on July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A.43:15C-1 et. seq), and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The Defined Contribution Retirement Program Board oversees the DCRP, which is administered for the Divisions of Pensions and Benefits by Prudential Financial. The DCRP provides eligible members, and their beneficiaries, with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N.J.S.A. 43:15C-1 et. seq.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. Chapter 78 P.L. 2011 changed the employee contribution rate as follows: Effective with the first payroll check to be paid on or after October 1, 2011 plan members rate will increase to 6.5% with an additional increase of .14% beginning in July 2012 and continuing each year until the rate reaches 7.5% in July 2018. The State Treasurer has the right under the current law to make temporary reductions in rates based on the existence of surplus pension assets in the retirement system; however, state statute also requires the return to the normal rate when such surplus pension assets no longer exist. The employee contributions along with the School District's contribution for each pay period are transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

The School District's contributions, equal to the required contribution for each fiscal year, were as follows:

<u>Fiscal Year</u>	<u>Total Liability</u>	<u>Employee Contribution</u>	<u>Paid by School District</u>
2014	\$ 4,918	\$ 3,182	\$ 1,736
2013	5,591	3,220	2,371
2012	4,262	2,713	1,549

Related Party Investments – The Division of Pensions and Benefits does not invest in securities issued by the School District.

9. POST-RETIREMENT BENEFITS

The School District contributes to the New Jersey State Health Benefits Program (SHBP), a cost-sharing multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pension and Benefits. SHBP was established to provide medical, prescription drug, mental health/substance abuse and Medicare Part B reimbursement to retirees and their covered dependents. The State Health Benefits Program Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. The State of New Jersey Division of Pension issues a publicly available financial report that includes financial statements and required supplementary information for SHBP. That report may be obtained by writing to the Division of Pension and Benefits, PO Box 295, Trenton, NJ 08625-0295.

P.L. 1987, c.384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c. 103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2013 there were 100,134 retirees receiving post-retirement medical benefits, and the State contributed \$1.07 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994.

**Riverton School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2014**

9. POST-RETIREMENT BENEFITS (CONTINUED)

The State is also responsible for the cost attributable to P.L. 1992 c.126, which provides free health benefits to members of PERS and Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$173.8 million toward Chapter 126 benefits for 17,356 eligible retired members in fiscal year 2013.

10. ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2014, the School District has recognized as revenues and expenditures \$215,375 of on-behalf payments made by the State of New Jersey for retirement costs related to TPAF and \$144,900 for employer's share of social security contributions for TPAF members, as calculated on their base salaries.

11. RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; employee health and accident claims; and natural disasters.

Property and Liability Insurance - The School District maintains commercial insurance coverage for property, liability, student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

Joint Insurance Pool - The School District is a member of the School Alliance Insurance Fund. Insurance coverage as provided by the Fund can be found in the Statistical Section of this Comprehensive Annual Financial Report.

Annual contributions to the Fund are determined by the Fund's Board of Trustees. The School District is jointly and personally liable for claims insured by the Fund and its members during the period of its membership, including liability for supplemental assessments, if necessary. The Fund's Board of Trustees may authorize refunds to its members in any fund year for which contributions exceed the amount necessary to fund all obligations for that year.

The Fund publishes its own financial report which can be obtained at: School Alliance Insurance Fund, c/o PEGAS, 51 Everett Drive, Lawrenceville, New Jersey, 08648.

New Jersey Unemployment Compensation Insurance - The School District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the School District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The School District is billed quarterly for amounts due to the State.

The following is a summary of School District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the School District's expendable trust fund for the current and previous two fiscal years:

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earned</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2014		\$ 3,911	\$ 265	\$ 453	\$ 65,563
2013		3,698	198	1,627	61,840
2012	\$ 226	3,705		2,342	59,571

**Riverton School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2014**

12. DEFERRED COMPENSATION

The School District offers its employees a choice of various deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457. The plans, available to all permanent School District employees, permit participants to defer a portion of their current salary to future years. Participation in the plans is optional. The deferred compensation is not available to the participants until termination, retirement, death, or an unforeseeable emergency occurs. The plan assets are held in trust for the benefit of the employee and are administered by a third party therefore they are not reflected on the financial statements of the School District.

13. FLEXIBLE BENEFITS PROGRAM

The School District offers its employees a Flexible Benefits Program. The purpose of the program is to provide a tax incentive for plan participants incurring health premium expenses, dependent care expenses and other medical expenses not covered by other insurance. The School District, who is the plan administrator, has contracted with PayFlex Systems to act as its agent to furnish reimbursement services. The plan participants redirect a prescribed amount of their gross pay (tax-free) into a reimbursement account and then in-turn submit claims to PayFlex Systems for repayment. Because of Internal Revenue Service regulations, if at the end of any plan year unexpended funds remain, these funds will be forfeited by the participants and returned to the School District.

The following is a summary of School District contributions, employee contributions, reimbursements to the plan participants for benefits paid and the ending balance of the School District's fiduciary fund for the current and prior two years.

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earned</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2014		\$ 3,450	\$ 9	\$ 2,821	\$ 2,142
2013		4,190	4	4,344	1,504
2012	\$ 2,502	1,860	1,860	2,708	1,654

14. COMPENSATED ABSENCES

The School District accounts for compensated absences (e.g. unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

School District employees are granted varying amounts of vacation and sick leave in accordance with the School District's personnel policy. Upon termination, employees are paid for accrued vacation. The School District's policy permits employees to accumulated unused sick leave and carry forward the full amount to subsequent years. Upon retirement employees shall be paid by the School District for the unused sick leave in accordance with the School District's agreements with the various employee unions.

The liability for vested compensated absences is recorded within those funds as the benefits accrued to the employees. As of June 30, 2014, the liability for compensated absences in the governmental activities was \$92,142.

**Riverton School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2014**

15. INTERFUND BALANCES AND TRANSFERS

Interfund receivables/payables are recorded to cover temporary cash shortages and/or timing differences in the respective funds. There are no interfund balances that are not expected to be repaid by June 30, 2014. The following interfund balances were recorded on the various balance sheets as of June 30, 2014:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General	\$ 204	
Fiduciary Fund		\$ 204
	<u>\$ 204</u>	<u>\$ 204</u>

16. CONTINGENCIES

The School District participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the School District may be required to reimburse the grantor government.

At June 30, 2014, significant amounts of grant expenditures have not been audited by the granting agency, but the School District believes that disallowed expenditures discovered in subsequent audits, if any, will not have a material effect on any of the individual funds or the overall financial position of the School District. Additionally, deferred revenues are recognized in those funds that have received grant monies in advance of future, reimbursable expenditures.

17. FUND BALANCES

RESTRICTED

As stated in Note 1, the restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources by either of the following: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. Specific restrictions of the School District's fund balance are summarized as follows:

General Fund:

Excess Surplus – In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of restricted fund balance - excess surplus is the result of a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict general fund, fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2014 is \$12,265 presented on the budgetary basis of accounting (Exhibit C-1).

Capital Reserve – As of June 30, 2014, the balance in the capital reserve account is \$284,020. These funds are restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan.

Maintenance Reserve Account – As of June 30, 2014, the balance in the maintenance reserve account is \$241,613. These funds are restricted for the required maintenance of school facilities in accordance with the Educational Facilities Construction and Financing Act (EFCFA) (N.J.S.A. 18A:7G-9) as amended by P.L. 2004, c. 73 (S1701).

**Riverton School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2014**

17. FUND BALANCES (Continued)

ASSIGNED

As stated in Note 1, the assigned fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes, but are neither restricted nor committed. Specific assignments of the School District's fund balance are summarized as follows:

General Fund:

Other Purposes – At June 30, 2014 the School District has \$16,643 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

UNASSIGNED

As stated in Note 1, the unassigned fund balance classification represents fund balance that has not been restricted, committed, or assigned to specific purposes. The School District's unassigned fund balance is summarized as follows:

General Fund – As of June 30, 2014, \$222,497 of general fund balance was unassigned.

Required Supplementary Information - Part II

Budgetary Comparison Schedules

RIVERTON SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local Tax Levy	\$ 4,642,321	\$ -	\$ 4,642,321	\$ 4,642,321	
Tuition - from other Lea's		-		26,912	\$ 26,912
Tuition - from individuals	17,500		17,500	23,250	5,750
Interest on capital reserve	300	-	300	490	190
Unrestricted misc. revenues	2,000	-	2,000	5,201	3,201
Total local sources	4,662,121	-	4,662,121	4,698,174	36,053
State sources:					
Special education aid	189,928	-	189,928	189,928	
Equalization aid	288,342	-	288,342	288,342	
Transportation aid	26,068	-	26,068	26,068	
Security aid	30,765	-	30,765	30,765	
Extraordinary Aid				5,203	5,203
On-behalf TPAF pension contrib. (non-budgeted)				81,593	81,593
On-behalf TPAF post retirement medical (non-budgeted)				133,782	133,782
Reimbursed TPAF social security contribution (non-budgeted)				144,900	144,900
Total state sources	535,103	-	535,103	900,581	365,478
TOTAL REVENUES	5,197,224	-	5,197,224	5,598,755	401,531
EXPENDITURES:					
CURRENT EXPENSE:					
Regular Programs - Instruction:					
Salaries of teachers					
Preschool	13,252	3,452	16,704	16,703	1
Kindergarten	140,390	3,927	144,317	144,219	98
Grades 1-5	839,271	23,686	862,957	862,928	29
Grades 6-8	279,683	8,616	288,299	288,224	75
Regular Programs - Home Instruction:					
Salaries of teachers	600	3,401	4,001	3,780	221
Purchased professional - educational services	200	1,133	1,333	1,317	16
Regular Programs - Undistributed Instruction:					
Purchased professional - educational services	7,260	(2,328)	4,932	4,932	
Purchased technical services	4,707	4,074	8,781	8,781	
Other purchased services	2,014	(461)	1,553	1,479	74
General supplies	40,146	68,504	108,650	107,132	1,518
Textbooks	8,000	(8,000)			
Other objects	2,000	7,219	9,219	9,219	
Total - Regular Programs - Instruction	1,337,523	113,223	1,450,746	1,448,714	2,032

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RIVERTON SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2014

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Special Education Instruction:					
Resource room/resource center:					
Salaries of teachers	\$ 187,438	\$ 10,118	\$ 197,556	\$ 196,729	\$ 827
Other salaries for instruction	64,360	(20,064)	44,296	43,669	627
General supplies	3,000	(1,300)	1,700	1,649	51
Textbooks	300	(300)			
Total resource room/resource center	<u>255,098</u>	<u>(11,546)</u>	<u>243,552</u>	<u>242,047</u>	<u>1,505</u>
Preschool disabilities - Part time:					
Salaries of teachers	13,627	(1,859)	11,768	11,580	188
Other salaries for instruction	7,048	(579)	6,469	5,732	737
General supplies	907	(425)	482	286	196
Total preschool disabilities - part time	<u>21,582</u>	<u>(2,863)</u>	<u>18,719</u>	<u>17,598</u>	<u>1,121</u>
Home Instruction:					
Salaries of teachers	2,000	(152)	1,848		1,848
Purchased professional-educational services	2,000	(2,000)			
Total home instruction	<u>4,000</u>	<u>(2,152)</u>	<u>1,848</u>	<u>-</u>	<u>1,848</u>
Total Special Education - Instruction	<u>280,680</u>	<u>(16,561)</u>	<u>264,119</u>	<u>259,645</u>	<u>4,474</u>
Basic Skills/Remedial - Instruction					
Salaries of teachers	67,153	458	67,611	67,610	1
General supplies	800	(771)	29	29	
Total basic skills/remedial - instruction	<u>67,953</u>	<u>(313)</u>	<u>67,640</u>	<u>67,639</u>	<u>1</u>
School-Sponsored Cocurricular Act - Instruction:					
Salaries	61,566	(1,548)	60,018	60,018	
Purchased services	1,764	(392)	1,372	1,372	
Supplies and materials	4,000	206	4,206	4,205	1
Total school-sponsored cocurr. act. - instruct.	<u>67,330</u>	<u>(1,734)</u>	<u>65,596</u>	<u>65,595</u>	<u>1</u>
Summer School - Instruction:					
Salaries	2,880	(1,820)	1,060	1,060	
Purchased professional-technical services	550	3,650	4,200	4,200	
Total summer school - instruction	<u>3,430</u>	<u>1,830</u>	<u>5,260</u>	<u>5,260</u>	
Total Instruction	<u>1,756,916</u>	<u>96,445</u>	<u>1,853,361</u>	<u>1,846,853</u>	<u>6,508</u>

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RIVERTON SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2014

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Instruction					
Tuition to other LEAs within the state - reg.	\$ 534,075	\$ -	\$ 534,075	\$ 531,001	\$ 3,074
Tuition to other LEAs within the state - spec	237,199	(687)	236,512	213,790	22,722
Tuition to county vocational school - reg	18,360	6,120	24,480	24,480	
Tuition to county vocational school - special	18,360	(3,060)	15,300	15,300	
Tuition to CSSD & Reg. Day schools	228,426	(47,668)	180,758	180,757	1
Tuition to priv. sch. for the disabled in state	372,309	(65,179)	307,130	265,181	41,949
Tuition - other	33,750	(33,750)			
Total undistributed expenditures - instruction	1,442,479	(144,224)	1,298,255	1,230,509	67,746
Attendance and Social Work Services:					
Salaries	3,622	54	3,676	3,675	1
Purchased professional and technical services	2,362	85	2,447	2,447	
Total Attendance and Social Work Services	5,984	139	6,123	6,122	1
Health Services:					
Salaries	49,293	2,783	52,076	52,075	1
Purchased professional and technical services	500	-	500	500	
Other purchased services	300	(4)	296	278	18
Supplies and materials	2,500	(1,369)	1,131	1,130	1
Total health services	52,593	1,410	54,003	53,983	20
Speech, OT, PT & Related Services					
Salaries	53,303	17,440	70,743	70,742	1
Purchased professional - educational services	19,200	(5,415)	13,785	13,785	
Supplies and materials	1,000	283	1,283	1,282	1
Total speech, ot, pt, & related services	73,503	12,308	85,811	85,809	2
Guidance:					
Other Objects	3,475	(532)	2,943	2,942	1
Total guidance	3,475	(532)	2,943	2,942	1
Child Study Teams:					
Salaries of other professional staff	182,641	3,804	186,445	186,445	
Salaries of secretarial and clerical assistants	37,144	3,153	40,297	40,297	
Purchased professional - educational services	12,000	(8,775)	3,225	3,225	
Misc. purchased services	3,500	(368)	3,132	3,130	2
Supplies and materials	3,000	(115)	2,885	2,885	
Total child study teams	238,285	(2,301)	235,984	235,982	2

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RIVERTON SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2014

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Improvement of Instructional Services:					
Salaries of supervisor of instruction	\$ 8,300	\$ 16,689	\$ 24,989	\$ 24,989	\$ -
Salaries of other professional staff	24,000	(5,198)	18,802	18,763	39
Salaries of secretarial and clerical assistants	540	(540)			
Purchased professional - educational services	3,820	780	4,600	4,599	1
Supplies and materials	1,200	(1,165)	35	35	
Total improvement of instructional services	37,860	10,566	48,426	48,386	40
Educational Media Services/School Library:					
Salaries	35,914	2,036	37,950	37,949	1
Purchased professional and technical services	500	(220)	280	280	
Other purchased services (400-500 series)	1,029	(29)	1,000	1,000	
Supplies and materials	3,300	211	3,511	3,502	9
Total educational media services/school library	40,743	1,998	42,741	42,731	10
Instructional Staff Training Services:					
Purchased professional - educational services	5,000	9,004	14,004	14,004	
Other purchased services	2,500	(423)	2,077	2,077	
Supplies and materials	200	181	381	378	3
Total instructional staff training services	7,700	8,762	16,462	16,459	3
Support Services - General Administration:					
Salaries	196,588	(4,454)	192,134	192,134	
Legal services	11,000	(7,844)	3,156	2,700	456
Audit Fees	20,800	(400)	20,400	20,400	
Other purchased professional services	2,000	40	2,040	2,039	1
Communications / telephone	13,200	(1,700)	11,500	9,193	2,307
Miscellaneous purchased services	9,060	(2,952)	6,108	5,718	390
General supplies	4,000	2,490	6,490	5,989	501
Miscellaneous expenditures	12,000	(1,544)	10,456	9,714	742
Total support services - general administration	268,648	(16,364)	252,284	247,887	4,397
Central Services					
Salaries	84,131	(172)	83,959	83,959	
Purchased professional services	10,500	3,053	13,553	13,478	75
Miscellaneous purchased services	1,067	(176)	891	437	454
General supplies	1,300	87	1,387	1,075	312
Miscellaneous expenditures	1,000	272	1,272	1,020	252
Total Central Services	97,998	3,064	101,062	99,969	1,093
Required Maintenance School Facilities:					
Cleaning, repair and maintenance services	65,390	42,442	107,832	107,831	1
General supplies	1,000	(300)	700	609	91
Total required maintenance school facilities	66,390	42,142	108,532	108,440	92

(CONTINUED TO NEXT PAGE)

RIVERTON SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2014

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Custodial Services:					
Salaries	\$ 118,551	\$ 4,483	\$ 123,034	\$ 123,034	\$ -
Salaries of non-instructional aides	10,803	260	11,063	11,063	
Purchased prof. and technical services	31,752	(2,600)	29,152	29,152	
Cleaning, repair and maintenance services	1,500	(569)	931	931	
Rental of land & bldg. other than lease purch.	1,320	-	1,320	1,320	
Other purchased property services	2,500	(159)	2,341	2,186	155
Insurance	40,500	(2,185)	38,315	38,315	
Misc. purchased services	200	(200)			
General Supplies	17,500	(605)	16,895	7,982	8,913
Energy (Electricity)	76,000	(15,925)	60,075	60,074	1
Energy (Heat)	18,000	(4,444)	13,556	13,551	5
Energy (Gasoline)	320	-	320	263	57
Total custodial services	318,946	(21,944)	297,002	287,871	9,131
Total operation & maint. of plant services	385,336	20,198	405,534	396,311	9,223
Student Transportation Services:					
Contr. serv. (between home & sch) - Joint Agree.	7,635	12,461	20,096	20,096	
Contr. Serv. (Spl. Ed. Students) - Joint Agree.	115,962	(22,198)	93,764	73,008	20,756
Contr. Serv. (Aid in Lieu of Payments) - Charter	2,652	(2,652)			
Total student transportation services	126,249	(12,389)	113,860	93,104	20,756
Allocated Benefits - Employee Benefits:					
Regular Programs - Instruction:					
Social security contributions	6,131	920	7,051	7,050	1
Other retirement contri. - regular		2,484	2,484	1,835	649
Health benefits	323,876	(48,536)	275,340	260,965	14,375
Tuition reimbursement	6,000	-	6,000	4,458	1,542
Other benefits		2,000	2,000	2,000	
Total regular programs - instruction	336,007	(43,132)	292,875	276,308	16,567
Special Programs - Instruction					
Social security contributions	6,245	706	6,951	6,909	42
Other retirement contri. - PERS	6,905	(177)	6,728	6,728	
Other retirement contri. - regular	2,405	(1,582)	823	822	1
Health benefits	105,885	(25,183)	80,702	77,711	2,991
Other benefits	4,000	2,000	6,000	6,000	
Total special programs - instruction	125,440	(24,236)	101,204	98,170	3,034
Other Instructional Programs - Instruction:					
Social security contributions	5,739	(890)	4,849	4,698	151
Total other instructional programs - instruction	5,739	(890)	4,849	4,698	151
Attendance & Social Work Services:					
Social security contributions	277	-	277	273	4
Other retirement contri. - PERS	425	(134)	291	290	1
Health benefits	2,691	(51)	2,640	2,582	58
Total attendance & social work services	3,393	(185)	3,208	3,145	63
Health Services:					
Social security contributions	67	148	215	170	45
Health benefits	9,812	2,503	12,315	9,185	3,130
Total health services	9,879	2,651	12,530	9,355	3,175

RIVERTON SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2014

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Allocated Benefits - Employee Benefits:					
Speech, OT, PT, & Related Services:					
Social security contributions	\$ 107	\$ 2,819	\$ 2,926	\$ 2,926	\$ -
Health benefits	8,929	477	9,406	8,275	1,131
Total speech, ot, pt, & related services	9,036	3,296	12,332	11,201	1,131
Child Study Teams:					
Social security contributions	3,919	212	4,131	4,131	
Other retirement contri. - PERS	4,348	(37)	4,311	4,210	101
Health benefits	50,100	(189)	49,911	46,897	3,014
Total child study teams	58,367	(14)	58,353	55,238	3,115
Improvement of Instruction Services					
Social security contributions	2,512	1,700	4,212	3,335	877
Total improvement of instruction serv.	2,512	1,700	4,212	3,335	877
Educational Media Services/School Library:					
Social security contributions	115	170	285	255	30
Health benefits	6,300	(6,262)	38	37	1
Other benefits		2,000	2,000	2,000	
Total educ. media serv./school library	6,415	(4,092)	2,323	2,292	31
General Administration:					
Social security contributions	4,736	970	5,706	4,632	1,074
Other retirement contri. - PERS	4,840	68	4,908	4,760	148
Health benefits	51,545	(288)	51,259	49,133	2,126
Other employee benefits		2,900	2,900	2,900	
Total general administration	61,121	3,652	64,773	61,425	3,348
Central Services:					
Social security contributions	1,106	53	1,159	1,159	
Other retirement contri. - PERS	1,430	12	1,442	1,432	10
Health benefits	37	-	37	37	
Other employee benefits	2,000	500	2,500	2,500	
Total central services	4,573	565	5,138	5,128	10
Operation and Maint. of Plant Services:					
Social security contributions	10,001	(464)	9,537	9,537	
Other retirement contri. - PERS	11,181	(618)	10,563	10,563	
Health benefits	18,999	(635)	18,364	17,737	627
Other employee benefits	1,040	(661)	379	378	1
Total operation & maint. of plant services	41,221	(2,378)	38,843	38,215	628
Total Allocated Benefits	663,703	(63,063)	600,640	568,510	32,130

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RIVERTON SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2014

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Total Personal Services - Employee Benefits	\$ 663,703	\$ (63,063)	\$ 600,640	\$ 568,510	\$ 32,130
On-behalf TPAF pension contr. (non-budgeted)				81,593	(81,593)
On-behalf TPAF post retirement medical (non-budgeted)				133,782	(133,782)
Reimbursed TPAF social security contr. (non-budgeted)				144,900	(144,900)
Total Undistributed Expenditures	3,444,556	(180,428)	3,264,128	3,488,979	(224,851)
Total General Current Expense	5,201,472	(83,983)	5,117,489	5,335,832	(218,343)
CAPITAL OUTLAY:					
Equipment:					
Grades 1 - 5		2,133	2,133	2,133	
Undist. expend. - instruction	72,852	83,426	156,278	156,278	
Undist. expend. - custodial services	3,000	3,113	6,113		6,113
Total Equipment	75,852	88,672	164,524	158,411	6,113
Facilities Acquisition and Construction Services					
Other purchased prof. and tech. services		-			
Assessment for Debt Service on SDA Funding	13,342	(4,689)	8,653	8,653	
Total Equipment	13,342	(4,689)	8,653	8,653	
Total Capital Outlay	89,194	83,983	173,177	167,064	6,113
TOTAL EXPENDITURES	5,290,666	-	5,290,666	5,502,896	(212,230)
Excess (Deficiency) of Revenues Over (Under) Expenditures:	(93,442)	-	(93,442)	95,859	189,301
Fund Balance - July 1, 2013	713,885		713,885	713,885	
Fund Balance - June 30, 2014	\$ 620,443	\$ -	\$ 620,443	\$ 809,744	\$ 189,301
Recapitulation of Fund Balance:					
Restricted Fund Balance:					
Capital reserve				\$ 284,020	
Maintenance reserve				241,613	
Excess Surplus				12,265	
Assigned Fund Balance:					
Year-end encumbrances				16,643	
Designated for subsequent year's expenditures					
Unassigned Fund Balance				255,203	
				809,744	
Reconciliation to Governmental Funds Statement (GAAP):					
Last State Aid Payment Not Recognized on GAAP Basis				(32,706)	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 777,038</u>	

RIVERTON SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources	\$ 1,000	\$ -	\$ 1,000	\$ 1,000	\$ -
State sources	6,599		6,599	6,599	
Federal sources	120,112		120,112	119,706	406
Total Revenues	127,711	-	127,711	127,305	406
EXPENDITURES:					
Instruction:					
Salaries	16,380	677	17,057	17,057	
Other purchased services	74,654	-	74,654	74,654	
Supplies and materials	5,991	3,500	9,491	9,491	
Other objects	1,000	(547)	453	453	
Total instruction	98,025	3,630	101,655	101,655	-
Support services:					
Purchased professional - educ. services	2,775	-	2,775	2,775	-
Purchased professional - tech. services	18,381	(3,630)	14,751	14,345	406
Other purchased services	5,500	-	5,500	5,500	-
Total support services	26,656	(3,630)	23,026	22,620	406
Facilities acquisition and construction services:					
Instructional equipment	3,030		3,030	3,030	
Total facilities acq. and const. services	3,030	-	3,030	3,030	-
Total Expenditures	127,711	-	127,711	127,305	406
Total outflows	127,711	-	127,711	127,305	406
Excess (Deficiency) of revenues over (under) expenditures and other financing sources (uses)	---	---	---	---	---

RIVERTON SCHOOL DISTRICT
Notes to Required Supplementary Information
Budgetary Comparison
For the Fiscal Year Ended June 30, 2014

**Explanation of Differences between Budgetary Inflows and Outflows and GAAP
Revenues and Expenditures**

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedules	\$ 5,598,755	\$ 127,305
Difference - budget to GAAP:		
State aid payment recognized for GAAP statements in current year, previously recognized for budgetary purposes.	26,113	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(32,706)	
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	\$ 5,592,162	\$ 127,305
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 5,502,896	\$ 127,305
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	\$ 5,502,896	\$ 127,305

Other Supplementary Information

Special Revenue Fund

RIVERTON SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenues and Expenditures
Budgetary Basis
For the Fiscal Year Ended June 30, 2014

	<u>Title I</u>	<u>Title II A</u>	<u>IDEA Basic</u>	<u>IDEA Preschool</u>	<u>Nonpublic Supplemental Instruction</u>	<u>Nonpublic Exam/ Classification</u>	<u>100 mile ASAP Program</u>	<u>Total</u>
REVENUES:								
Local sources							\$ 1,000	\$ 1,000
State sources					\$ 2,775	\$ 3,824		6,599
Federal sources	\$ 24,047	\$ 9,512	\$ 83,117	\$ 3,030				119,706
Total Revenues	<u>24,047</u>	<u>9,512</u>	<u>83,117</u>	<u>3,030</u>	<u>2,775</u>	<u>3,824</u>	<u>1,000</u>	<u>127,305</u>
EXPENDITURES:								
Instruction:								
Salaries	16,510						547	17,057
Other purchased services			74,654					74,654
Supplies	2,037		3,630			3,824		9,491
Other objects							453	453
Total instruction	<u>18,547</u>		<u>78,284</u>			<u>3,824</u>	<u>1,000</u>	<u>101,655</u>
Support Services:								
Purchased prof. educ. services					2,775			2,775
Purchased prof. tech. services		9,512	4,833					14,345
Other purchased services	5,500							5,500
Total support services	<u>5,500</u>	<u>9,512</u>	<u>4,833</u>		<u>2,775</u>			<u>22,620</u>
Facilities acquisition and const. serv.:								
Instructional equipment				3,030				3,030
Total facilities acq. and const. serv.				<u>3,030</u>				<u>3,030</u>
Total Expenditures	<u>24,047</u>	<u>9,512</u>	<u>83,117</u>	<u>3,030</u>	<u>2,775</u>	<u>3,824</u>	<u>1,000</u>	<u>127,305</u>
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	---	---	---	---	---	---	---	---

Proprietary Funds

RIVERTON SCHOOL DISTRICT
Enterprise Funds
Statement of Net Position
June 30, 2014

	<u>Food Service Fund</u>
ASSETS:	
Current Assets:	
Cash and cash equivalents	\$ 14,502
Accounts receivable:	
State	40
Federal	<u>897</u>
Total current assets	<u>15,439</u>
Noncurrent Assets:	
Equipment	16,431
Accumulated depreciation	<u>(1,027)</u>
Total noncurrent assets	<u>15,404</u>
Total Assets	<u>30,843</u>
LIABILITIES:	
Current liabilities:	
Accounts payable	
Unearned revenue	<u>1,902</u>
Total current liabilities	<u>1,902</u>
NET POSITION:	
Net investment in capital assets	15,404
Unrestricted	<u>13,537</u>
Total Net Position	<u>\$ 28,941</u>

RIVERTON SCHOOL DISTRICT
Enterprise Funds
Statement of Revenues, Expenses
and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2014

	<u>Food Service Fund</u>
OPERATING REVENUES:	
Charges for services:	
Daily sales reimbursable programs	\$ 30,206
Daily sales non-reimbursable programs:	
Adult and a la carte sales	<u>8,388</u>
Total Operating Revenue	<u>38,594</u>
OPERATING EXPENSES:	
Supplies and materials	5,131
Cost of sales	39,866
Depreciation	1,027
Other expenses	<u>607</u>
Total Operating Expenses	<u>46,631</u>
Operating Income (Loss)	<u>(8,037)</u>
Non-Operating Revenues:	
State sources:	
State school lunch program	687
Federal sources:	
National school lunch program	<u>14,767</u>
Total Non-Operating Revenues	<u>15,454</u>
Income (Loss) before Contributions and Transfers	7,417
Capital Contributions	<u> </u>
Changes in Net Position	7,417
Net Position - July 1, 2013	<u>21,524</u>
Net Position - June 30, 2014	<u>\$ 28,941</u>

RIVERTON SCHOOL DISTRICT
Enterprise Funds
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2014

	<u>Food Service Fund</u>
Cash Flows from Operating Activities:	
Cash receipts from customers	\$ 40,497
Cash payments to suppliers for goods and services	<u>(53,138)</u>
Net cash used by operating activities	<u>(12,641)</u>
Cash Flows from Noncapital Financing Activities:	
Cash received from state sources	677
Cash received from federal sources	<u>14,577</u>
Net cash provided by noncapital financing activities	<u>15,254</u>
Cash Flows Used by Capital and Related Financing Activities:	
Purchase of equipment	<u>(16,431)</u>
Cash Flow Provided by Investing Activities:	
Interest on cash equivalents	<u> </u>
Net increase (decrease) in cash and cash equivalents	(13,818)
Cash and cash equivalents - July 1, 2013	<u>28,320</u>
Cash and cash equivalents - June 30, 2014	<u>\$ 14,502</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:	
Operating income (loss)	\$ (8,037)
Adjustments to reconcile operating income (loss) to cash provided by (used for) operating activities:	
Change in Assets and Liabilities:	
Depreciation	1,027
Increase (decrease) in accounts payable	(5,675)
Increase (decrease) in deferred revenue	<u>44</u>
Net cash provided by (used for) operating activities	<u>\$ (12,641)</u>
Noncash Noncapital Financing Activities:	
During the year the District did not receive any food commodities from the U.S. Department of Agriculture.	

Fiduciary Funds

**RIVERTON SCHOOL DISTRICT
Fiduciary Funds
Statement of Fiduciary Net Position
June 30, 2014**

	Trust Funds		Agency Funds		
	Unemployment Compensation	Flexible Benefits Trust	Student Activity	Payroll	Totals
ASSETS:					
Cash and cash equivalents	\$ 65,563	\$ 2,142	\$ 18,475	\$ 222	\$ 86,402
Total Assets	\$ 65,563	\$ 2,142	\$ 18,475	\$ 222	\$ 86,402
 LIABILITIES:					
Payroll deductions payable				\$ 18	\$ 18
Interfund Payable				204	204
Due to student groups			\$ 18,475		18,475
Total Liabilities			\$ 18,475	\$ 222	18,697
 NET POSITION:					
Held in Trust for Claims	65,563	2,142			67,705
Total Net Position	\$ 65,563	\$ 2,142			\$ 67,705

RIVERTON SCHOOL DISTRICT
Fiduciary Funds
Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended June 30, 2014

	<u>Flexible Benefits Trust Fund</u>	<u>Unemployment Compensation Insurance Trust Fund</u>	<u>Total</u>
ADDITIONS:			
Contributions:			
Employee	\$ 3,450	\$ 3,911	\$ 7,361
Employer			
Total Contributions	<u>3,450</u>	<u>3,911</u>	<u>7,361</u>
Investment earnings:			
Interest earned	<u>9</u>	<u>265</u>	<u>274</u>
Total Additions	<u>3,459</u>	<u>4,176</u>	<u>7,635</u>
DEDUCTIONS:			
Claims Paid	<u>2,821</u>	<u>453</u>	<u>3,274</u>
Total Deductions	<u>2,821</u>	<u>453</u>	<u>3,274</u>
Change in Net Position	638	3,723	4,361
Net Position - July 1, 2013	<u>1,504</u>	<u>61,840</u>	<u>63,344</u>
Net Position - June 30, 2014	<u>\$ 2,142</u>	<u>\$ 65,563</u>	<u>\$ 67,705</u>

**RIVERTON SCHOOL DISTRICT
Fiduciary Funds
Student Activity Agency Fund Schedule of Receipts and Disbursements
For the Fiscal Year Ended June 30, 2014**

	<u>Balance July 1, 2013</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Interfund Payable</u>	<u>Balance June 30, 2014</u>
Elementary / Junior High	\$ 18,487	\$ 40,626	\$ 40,638		\$ 18,475
Friends of Riverton					
	<u>\$ 18,487</u>	<u>\$ 40,626</u>	<u>\$ 40,638</u>	<u>\$ -</u>	<u>\$ 18,475</u>

RIVERTON SCHOOL DISTRICT
Fiduciary Funds
Payroll Agency Fund Schedule of Receipts and Disbursements
For the Fiscal Year Ended June 30, 2014

	<u>Balance</u> <u>July 1, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2014</u>
ASSETS:				
Cash and cash equivalents	\$ 16,808	\$ 2,806,271	\$ 2,822,857	\$ 222
Total Assets	<u>\$ 16,808</u>	<u>\$ 2,806,271</u>	<u>\$ 2,822,857</u>	<u>\$ 222</u>
 LIABILITIES:				
Net payroll		\$ 1,585,080	\$ 1,585,080	
Interfund Payable	\$ 134	204	\$ 134	\$ 204
Payroll deductions and withholdings	<u>16,674</u>	<u>1,220,987</u>	<u>1,237,643</u>	<u>18</u>
Total Liabilities	<u>\$ 16,808</u>	<u>\$ 2,806,271</u>	<u>\$ 2,822,857</u>	<u>\$ 222</u>

Long-Term Debt Schedules

**RIVERTON SCHOOL DISTRICT
Statement of Serial Bonds
For the Fiscal Year Ended June 30, 2014**

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance July 1, 2013</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2014</u>
			<u>Date</u>	<u>Amount</u>					
School Renovations	04/01/00	\$ 1,500,000	04/01/15	\$ 130,000	4.35%	\$ 385,000		\$ 125,000	\$ 260,000
			04/01/16	130,000					
						<u>\$ 385,000</u>	<u>\$ -</u>	<u>\$ 125,000</u>	<u>\$ 260,000</u>

RIVERTON SCHOOL DISTRICT
Budgetary Comparison Schedule
Debt Service Fund
For the Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Local sources:					
Local tax levy	\$ 141,748		\$ 141,748	\$ 141,748	
Total Revenues	<u>141,748</u>		<u>141,748</u>	<u>141,748</u>	
EXPENDITURES:					
Regular debt service:					
Interest	16,748		16,748	16,748	
Redemption of principal	125,000		125,000	125,000	
Total Expenditures	<u>141,748</u>		<u>141,748</u>	<u>141,748</u>	
Excess (Deficiency) of revenues over (under) expenditures					
Fund Balance - July 1, 2013					
Fund Balance - June 30, 2014	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>
Recapitulation of Excess (Deficiency) or revenues over (under) expenditures					
Budgeted Fund Balance	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>

Statistical Section

Riverton School District
 Net Position by Component,
 Last Ten Fiscal Years
 (accrual basis of accounting)

J-1

	Fiscal Year Ending June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities:										
Invested in capital assets, net of related debt	\$ (367,949)	\$ (265,491)	\$ (118,798)	\$ (51,197)	\$ 48,264	\$ 145,499	\$ 257,546	\$ 389,769	\$ 569,595	\$ 807,842
Restricted for:										
Capital projects						33,587	59,383	94,940	128,530	284,020
Other purposes	251,311	87,845	144,090	166,906	206,250	180,543	272,062	351,630	335,355	270,521
Unrestricted	35,314	(81,431)	110,691	99,343	(10,575)	(464)	57,933	71,341	95,468	127,527
Total governmental activities net position	\$ (81,324)	\$ (259,077)	\$ 135,983	\$ 215,052	\$ 243,939	\$ 359,165	\$ 646,924	\$ 907,680	\$ 1,128,948	\$ 1,489,910
Business-type activities:										
Invested in capital assets, net of related debt	-	-	-	-	-	-	-	-	-	15,404
Unrestricted	\$ 2,612	\$ 2,236	\$ 19,475	\$ 28,798	\$ 20,261	\$ 32,703	\$ 29,280	\$ 38,422	\$ 21,524	\$ 13,537
Total business-type activities net position	\$ 2,612	\$ 2,236	\$ 19,475	\$ 28,798	\$ 20,261	\$ 32,703	\$ 29,280	\$ 38,422	\$ 21,524	\$ 28,941
District-wide:										
Invested in capital assets, net of related debt	\$ (367,949)	\$ (265,491)	\$ (118,798)	\$ (51,197)	\$ 48,264	\$ 145,499	\$ 257,546	\$ 389,769	\$ 569,595	\$ 823,246
Restricted for:										
Capital projects						33,587	59,383	94,940	128,530	284,020
Other purposes	251,311	87,845	144,090	166,906	206,250	180,543	272,062	351,630	335,355	270,521
Unrestricted	37,926	(79,195)	130,166	128,141	9,686	32,239	87,213	107,763	116,992	141,064
Total district net position	\$ (78,712)	\$ (256,841)	\$ 155,458	\$ 243,850	\$ 264,200	\$ 391,868	\$ 676,204	\$ 944,102	\$ 1,150,472	\$ 1,518,851

Note - District was not required to follow GASB 34 reporting format until fiscal year 2004.

Riverton School District
 Changes in Net Position, Last Ten Fiscal Years
 (accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses:										
Governmental activities:										
Instruction:										
Regular	\$ 1,378,190	\$ 1,565,315	\$ 1,240,434	\$ 1,392,211	\$ 1,567,239	\$ 1,687,246	\$ 1,153,569	\$ 1,288,876	\$ 1,335,602	\$ 1,508,251
Special education	287,708	224,255	290,553	286,610	285,487	413,805	290,751	400,539	347,908	337,929
Other instruction	85,134	65,654	75,806	92,949	114,013	120,448	103,219	112,434	119,759	138,494
Support Services:										
Tuition	1,176,266	1,116,718	969,709	1,100,107	1,085,070	1,061,015	1,294,174	1,300,048	1,350,683	1,230,509
Student & instruction related services	448,386	400,668	417,704	459,221	461,401	670,947	593,666	519,105	481,126	515,034
General and business administrative services	255,860	223,514	217,994	334,008	331,645	391,269	336,026	345,328	345,653	357,607
Plant operations and maintenance	315,135	485,709	366,757	367,043	351,201	378,683	382,716	318,312	375,243	366,400
Pupil transportation	61,213	61,847	59,767	84,746	91,112	106,684	106,902	95,438	130,989	93,104
Business and other support services	95,560	87,733	74,601	775						
Employee benefits		652,116	822,037	914,395	786,892	277,047	716,509	651,974	977,396	828,785
Interest on long-term debt	69,872	48,231	52,744	44,642	40,454	35,997	31,157	26,100	20,826	16,748
Unallocated depreciation	2,579	2,579	2,577	3,298	3,345	5,813	5,952	6,600	5,564	8,392
Total governmental activities expenses	4,175,903	4,934,339	4,590,683	5,080,005	5,117,859	5,149,154	5,014,681	5,264,754	5,490,949	5,500,253
Food service	22,188	22,201	25,885	30,601	58,641	42,335	56,375	46,688	61,492	46,631
Total business-type activities expense	22,188	22,201	25,885	30,601	58,641	42,335	56,375	46,688	61,492	46,631
Total district expenses	\$ 4,198,091	\$ 4,956,540.00	\$ 4,616,568.00	\$ 5,110,606.00	\$ 5,176,500.00	\$ 5,191,489.00	\$ 5,071,056.00	\$ 5,311,442.00	\$ 5,552,441.00	\$ 5,546,884.00
Program Revenues:										
Governmental activities:										
Operating grants and contributions	\$ 352,445	\$ 138,194	\$ 114,864	\$ 123,059	\$ 225,177	\$ 457,823	\$ 392,421	\$ 449,732	\$ 515,485	\$ 127,305
Charges for services								14,000	17,132	
Total governmental activities program revenues	352,445	138,194	114,864	123,059	225,177	457,823	392,421	463,732	532,617	127,305
Business-type activities:										
Charges for services:										
Food service	\$ 14,622	\$ 17,435	\$ 28,337	\$ 30,914	\$ 38,123	\$ 40,090	\$ 35,408	\$ 35,347	\$ 30,799	\$ 38,594
Operating grants and contributions	4,733	4,390	6,787	9,010	11,931	14,687	17,544	18,463	15,795	15,454
Capital grants and contributions										
Total business-type activities program revenues	19,355	21,825	35,124	39,924	50,104	54,777	52,952	53,830	46,594	54,048
Total district program revenues	\$ 371,800	\$ 160,019	\$ 149,988	\$ 162,983	\$ 275,281	\$ 512,600	\$ 445,373	\$ 517,562	\$ 579,211	\$ 181,353
Net (Expense)/Revenue:										
Governmental activities	\$ (3,823,458)	\$ (4,796,145)	\$ (4,475,819)	\$ (4,956,946)	\$ (4,892,682)	\$ (4,691,331)	\$ (4,622,260)	\$ (4,801,022)	\$ (4,958,332)	\$ (5,372,948)
Business-type activities	(2,831)	(376)	9,239	9,323	(8,537)	12,442	(3,423)	7,142	(14,898)	7,417
Total district-wide net expense	\$ (3,826,289)	\$ (4,796,521)	\$ (4,466,580)	\$ (4,947,623)	\$ (4,901,219)	\$ (4,678,889)	\$ (4,625,683)	\$ (4,793,880)	\$ (4,973,230)	\$ (5,365,531)
General Revenues and Other Changes in Net Position:										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 3,355,015	\$ 3,557,882	\$ 3,666,729	\$ 3,794,184	\$ 3,949,811	\$ 4,035,363	\$ 4,312,289	\$ 4,411,358	\$ 4,499,585	\$ 4,642,321
Taxes levied for debt service	98,138	138,288	139,590	140,675	141,543	147,183	147,408	147,405	147,185	141,748
Unrestricted grants and contributions	606,190	871,199	1,001,172	1,033,025	765,278	609,285	425,352	496,448	536,860	893,998
Miscellaneous income	56,017	50,923	71,388	68,131	65,207	14,446	24,970	6,667	5,402	65,853
Transfers	(4,000)		(8,000)							
Total governmental activities	4,111,360	4,618,392	4,870,879	5,036,015	4,921,839	4,806,287	4,910,019	5,061,778	5,189,032	5,733,910
Business-type activities:										
Investment earnings										
Transfers	4,000		8,000							
Total business-type activities	4,000		8,000							
Total district-wide	\$ 4,115,360	\$ 4,618,392	\$ 4,878,879	\$ 5,036,015	\$ 4,921,839	\$ 4,806,287	\$ 4,910,019	\$ 5,061,778	\$ 5,189,032	\$ 5,733,910
Change in Net Position:										
Governmental activities	\$ 287,902	\$ (177,753)	\$ 395,060	\$ 79,069	\$ 29,157	\$ 114,956	\$ 287,759	\$ 260,756	\$ 230,700	\$ 360,962
Business-type activities	1,169	(376)	17,239	9,323	(8,537)	12,442	(3,423)	7,142	(14,898)	7,417
Total district-wide	\$ 289,071	\$ (178,129)	\$ 412,299	\$ 88,392	\$ 20,620	\$ 127,398	\$ 284,336	\$ 267,898	\$ 215,802	\$ 368,379

Note - District was not required to follow GASB 34 reporting format until fiscal year 2004.

Riverton School District
Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

Fiscal Year Ending June 30,

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Fund:										
Restricted for:										
Capital reserve					\$ 33,587	\$ 33,892	\$ 59,383	\$ 94,940	\$ 128,530	\$ 284,020
Future tuition payments	\$ 26,892			\$ 21,413	21,413	21,413				
Maintenance reserve				60,000	93,588	102,327	155,066	234,534	241,613	241,613
Excess surplus		\$ 20,800								12,265
Assigned for:										
Year-end Encumbrances	224,419	66,409	\$ 123,290	31,493	3,432	1,998	63,496	16,096	40,242	16,643
Subsequent year's budget			20,800	54,000	54,500	54,500	53,500	101,000	53,500	
Unrestricted	<u>71,052</u>	<u>71,970</u>	<u>233,161</u>	<u>231,272</u>	<u>210,824</u>	<u>215,750</u>	<u>242,165</u>	<u>222,130</u>	<u>223,887</u>	<u>22,497</u>
Total general fund	<u>\$ 322,363</u>	<u>\$ 159,179</u>	<u>\$ 377,251</u>	<u>\$ 398,178</u>	<u>\$ 417,344</u>	<u>\$ 429,880</u>	<u>\$ 573,610</u>	<u>\$ 668,700</u>	<u>\$ 687,772</u>	<u>\$ 577,038</u>
All Other Governmental Funds										
Reserved:										
Encumbrances		\$ 636								
Unreserved, reported in:										
Special revenue fund	\$ (478)	(478)	\$ (478)	\$ (478)						
Debt service fund										
Total all other governmental funds	<u>\$ (478)</u>	<u>\$ 158</u>	<u>\$ (478)</u>	<u>\$ (478)</u>	<u>\$ -</u>					

Riverton School District
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

J-4

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues										
Tax levy	\$ 3,453,153	\$ 3,696,270	\$ 3,806,319	\$ 3,934,859	\$ 4,091,354	\$ 4,182,556	\$ 4,459,697	\$ 4,558,763	\$ 4,646,770	\$ 4,784,069
Tuition charges								14,000	17,132	50,162
Miscellaneous	56,017	50,923	71,388	68,131	65,207	14,446	24,970	6,567	5,402	6,691
State sources	835,214	884,757	1,010,730	1,053,704	887,767	836,125	710,460	813,272	942,705	900,587
Federal sources	123,421	124,636	105,306	102,380	102,688	230,983	107,313	132,908	109,640	119,706
Total revenue	4,467,805	4,756,586	4,993,743	5,159,074	5,147,016	5,264,110	5,302,440	5,525,510	5,721,649	5,861,215
Expenditures										
Instruction										
Regular instruction	1,069,098	1,435,713	1,267,761	1,358,094	1,451,261	1,669,416	1,161,524	1,293,675	1,327,093	1,472,085
Special education instruction	223,868	224,255	290,553	286,610	285,487	413,805	290,751	400,539	347,908	337,929
Other special instruction	66,475	65,654	75,806	92,949	114,013	120,448	103,219	112,434	119,759	138,494
Other instruction										
Support Services:										
Tuition	1,176,266	1,116,718	969,709	1,100,107	1,085,070	1,061,015	1,294,174	1,300,048	1,350,683	1,230,509
Student & instruction related services	362,118	400,668	417,704	459,221	461,401	670,948	593,686	519,105	481,126	515,034
General and business admin.services	290,044	310,362	291,716	332,592	329,343	387,815	332,433	341,085	340,288	347,856
Plant operations and maintenance	266,356	332,535	313,221	328,948	344,993	375,430	393,282	307,764	364,916	396,311
Pupil transportation	58,518	61,847	59,767	84,746	91,112	106,684	106,902	95,438	130,989	93,104
Employee benefits	566,089	652,116	822,037	914,395	786,892	277,047	716,509	851,974	977,396	928,785
Capital outlay	33,790	180,978	120,443	39,810	36,257	21,773	18,822	60,953	115,234	170,094
Debt service:										
Principal	75,000	85,000	90,000	95,000	100,000	110,000	115,000	120,000	125,000	125,000
Interest and other charges	56,550	53,288	49,590	45,675	41,543	37,193	32,408	27,405	22,185	16,748
Total expenditures	4,244,172	4,919,134	4,768,307	5,138,147	5,127,372	5,251,574	5,158,710	5,430,420	5,702,577	5,771,949
Excess (Deficiency) of revenues over (under) expenditures	223,633	(162,548)	225,436	20,927	19,644	12,536	143,730	95,090	19,072	89,266
Other Financing sources (uses)										
Proceeds from borrowing										
Transfers out	(4,000)		(8,000)							
Total other financing sources (uses)	(4,000)	-	(8,000)	-	-	-	-	-	-	-
Net change in fund balances	\$ 219,633	\$ (162,548)	\$ 217,436	\$ 20,927	\$ 19,644	\$ 12,536	\$ 143,730	\$ 95,090	\$ 19,072	\$ 89,266
Debt service as a percentage of noncapital expenditures	3.12%	2.92%	3.00%	2.76%	2.78%	2.81%	2.87%	2.75%	2.63%	2.53%

Source: District records

Riverton School District
General Fund - Other Local Revenue by Source
Last Ten Fiscal Years
(modified accrual basis of accounting)

J-5

<u>Fiscal Year Ending June 30,</u>	<u>Interest on Investments</u>	<u>Tuition</u>	<u>Donations</u>	<u>Prior Year Refunds</u>	<u>Miscellaneous</u>	<u>Total</u>
2005	\$ 7,891			\$ 48,126		\$ 56,017
2006	27,147			23,776		50,923
2007	26,786			44,528	\$ 74	71,388
2008	17,402	\$ 6,700		44,029		68,131
2009	7,187	13,500		44,520		65,207
2010	5,072	7,475		1,790	109	14,446
2011	5,951	15,400		3,457	162	24,970
2012	5,203	14,000		1,364		20,567
2013	4,229	17,132		854	319	22,534
2014	4,382	50,162			2,309	56,853
	<u>\$ 111,250</u>	<u>\$ 124,369</u>	<u>\$ -</u>	<u>\$ 212,444</u>	<u>\$ 2,973</u>	<u>\$ 451,036</u>

Source: District records

Riverton School District
 Assessed Value and Actual Value of Taxable Property,
 Last Ten Fiscal Years

Fiscal Year Ended June 30,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities a	Net Valuation Taxable	Tax-Exempt Property	Total Direct School Tax Rate b	Estimated Actual (County Equalized) Value
2005	\$ 855,300	\$ 118,077,400	\$ 7,728,000	\$ 932,000	\$ 3,373,800	\$ 130,966,500	\$ 139,926	\$ 131,106,426	\$ 18,493,400	2.820	\$ 200,714,647
2006	753,300	118,543,400	7,728,000	932,000	3,373,800	131,330,500	108,637	131,439,137	18,604,700	2.896	233,698,872
2007	2,007,000	118,569,400	6,448,900	932,000	3,373,800	131,331,100	107,991	131,439,091	18,604,700	2.994	253,354,380
2008	1,460,700	119,219,500	7,885,900	932,000	3,373,800	132,871,900	110,236	132,982,136	18,534,900	3.077	275,092,506
2009	R 1,659,600	255,357,300	17,030,700	1,600,300	7,261,100	282,909,000	248,007	283,157,007	30,144,600	1.477	278,840,930
2010	978,200	256,017,200	17,879,900	1,600,300	7,261,100	283,736,700	231,522	283,968,222	29,600,100	1.570	301,535,156
2011	1,258,400	255,935,000	17,405,800	1,600,300	7,261,100	283,460,600	207,789	283,668,389	29,326,200	1.607	287,857,457
2012	1,103,200	255,357,500	17,405,800	1,600,300	7,221,000	282,687,800	202,256	282,890,056	29,412,200	1.642	277,186,286
2013	791,600	218,189,400	15,361,900	1,358,900	6,058,500	241,760,300	210,988	241,971,288	26,449,800	1.977	258,962,003
2014	791,600	218,089,800	15,361,900	1,358,900	6,058,500	241,660,700	157,848	241,818,548	26,449,800	1.989	257,409,225

Source:
 Municipal Tax Assessor

Note:
 Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation. Reassessment occurs when ordered by the County Board of Taxation

a Taxable Value of Machinery, Improvements and Equipment of Telephone, Telegraph and Messenger System Companies

b Tax rates are per \$100 of assessed valuation.

R Revaluation

Riverton School District
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(rate per \$100 of assessed value)

J-7

Fiscal Year Ended June 30,	Riverton School District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct	Borough of Riverton	Burlington County	
2005	\$ 2.745	\$ 0.075	\$ 2.820	\$ 1.280	\$ 0.700	\$ 4.800
2006	2.885	0.011	2.896	1.337	0.786	5.019
2007	2.983	0.011	2.994	1.385	0.811	5.190
2008	2.971	0.106	3.077	1.345	0.804	5.226
2009	1.427	0.050	1.477	0.599	0.375	2.451
2010	1.520	0.050	1.570	0.598	0.404	2.572
2011	1.557	0.050	1.607	0.598	0.385	2.590
2012	1.592	0.050	1.642	0.606	0.373	2.621
2013	1.919	0.058	1.977	0.754	0.406	3.137
2014	1.931	0.058	1.989	0.796	0.407	3.192

Source: Municipal Tax Collector

**Riverton School District
Principal Property Tax Payers,
Current Year and Nine Years Ago**

68

Taxpayer	2013-2014		Taxpayer	2004-2005	
	Taxable Assessed Value	% of Total District Net Assessed Value		Taxable Assessed Value	% of Total District Net Assessed Value
The Shops at Riverton, LLC	\$ 4,177,400	1.73%	D & P Goffredo	\$ 1,247,900	0.95%
GOCO Real Estate, LLC	1,540,500	0.64%	SSJ Holding, LP Shopping Center	1,152,900	0.88%
National Casein Sales	1,505,900	0.62%	Chas. Cook, Glue Factory	1,007,900	0.77%
Cedar Lane manor Apt., LLC	1,417,600	0.59%	Moccia Properties	867,350	0.66%
Individual #1	1,378,200	0.57%	Cedar Lane Manor, Apt. Complex	740,000	0.56%
Riverton Square, LLC	1,192,000	0.49%	Individual #1	621,300	0.47%
Moccia Properties, LLC	1,128,200	0.47%	Riverton Country Club	647,000	0.49%
Riverton Country Club	855,200	0.35%	Individual #2	488,800	0.37%
Individual #2	855,200	0.35%	Individual #3	488,580	0.37%
Individual #3	812,800	0.34%	Individual #4	439,100	0.33%
Total	\$ 14,863,000	6.15%		\$ 7,700,830	5.87%

Source: Municipal Tax Assessor

**Riverton School District
Property Tax Levies and Collections,
Last Ten Fiscal Years**

Fiscal Year Ended June 30,	Taxes Levied for the Calendar Year	Collected within the Fiscal Year of the Levy^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2005	\$ 3,453,153	\$ 3,453,153	100.00%	-
2006	3,696,270	3,696,270	100.00%	-
2007	3,806,319	3,806,319	100.00%	-
2008	3,934,859	3,934,859	100.00%	-
2009	4,091,354	4,091,354	100.00%	-
2010	4,182,556	4,182,556	100.00%	-
2011	4,459,697	4,459,697	100.00%	-
2012	4,558,763	4,558,763	100.00%	-
2013	4,646,770	4,646,770	100.00%	-
2014	4,784,069	4,784,069	100.00%	-

Source: District records including the Certificate and Report of School Taxes (A4F form)

a School taxes are collected by the Municipal Tax Collector. Under New Jersey State Statutes, a municipality is required to remit to the school district the entire property tax balance, in the amount voted upon or certified prior to the end of the school year.

**Riverton School District
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years**

J-10

Fiscal Year Ended June 30,	Governmental Activities		Business-Type Activities		Total District	Percentage of Personal Income ^b	Per Capita ^c
	General Obligation Bonda ^a	Capital Leases	Capital Leases				
2005	\$ 1,225,000	\$ -	\$ -		\$ 1,225,000	1.07%	451
2006	1,140,000	-	-		1,140,000	0.94%	422
2007	1,050,000	-	-		1,050,000	0.85%	395
2008	955,000	-	-		955,000	0.76%	362
2009	855,000	-	-		855,000	0.68%	325
2010	745,000	-	-		745,000	0.56%	268
2011	630,000	-	-		630,000	0.46%	226
2012	510,000	-	-		510,000	0.36%	183
2013	385,000	-	-		385,000	d	139
2014	260,000	-	-		260,000	d	d

Sources:

- a District Records
- b Personal Income has been estimated based upon the municipal population and per capita personal income.
- c Per Capita Personal Inome Data provided by the NJ Dept. of Labor and Workforce.
- d Unavailable.

**Riverton School District
 Ratios of Net General Bonded Debt Outstanding
 Last Ten Fiscal Years**

J-11

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Net Assessed Valuation Taxable ^b	Per Capita ^c
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding ^a		
2005	\$ 1,225,000	\$ -	\$ 1,225,000	0.93%	451
2006	1,140,000	-	1,140,000	0.87%	422
2007	1,050,000	-	1,050,000	0.74%	395
2008	955,000	-	955,000	0.34%	362
2009	855,000	-	855,000	0.30%	325
2010	745,000	-	745,000	0.26%	268
2011	630,000	-	630,000	0.22%	226
2012	510,000	-	510,000	0.18%	183
2013	385,000	-	385,000	0.16%	139
2014	260,000	-	260,000	0.11%	d

Sources:

- a District Records
- b Net Assessed Valuation provided by Anstract of Ratables, County Board of Taxation
- c Per Capita Personal Inome Data provided by the NJ Dept. of Labor and Workforce.
- d Unavailable.

**Riverton School District
 Ratios of Overlapping Governmental Activities Debt
 As of December 31, 2013**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes:			
Borough of Riverton (1)	\$ 1,099,044	100.000%	\$ 1,099,044
Burlington County General Obligation Debt (1)	318,797,148	0.559% (2)	1,781,757
			<hr/>
Subtotal, overlapping debt			2,880,801
Riverton School District Direct Debt			<hr/> 385,000
Total direct and overlapping debt			<hr/> \$ 3,265,801 <hr/>

Sources:

- (1) Entity's Audit Report
- (2) The County percentage is based upon a calculation reflecting the Borough's share of the 2013 Equalized Valuation. The source for this computation was the 2013 County Abstract of Ratables, provided by the County Board of Taxation.

Legal Debt Margin Calculation for Fiscal Year 2014

Equalized valuation basis	
2011	\$ 277,141,768
2012	257,457,013
2013	256,836,609
	<u>\$ 791,435,390</u>

Average equalized valuation of taxable property \$ 263,811,797

Debt limit (3% of average equalized valuation) (2)	7,914,354
Net bonded school debt	-
Legal debt margin	<u>\$ 7,914,354</u>

Fiscal Year

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Debt limit	\$ 5,449,533	\$ 6,141,023	\$ 6,852,304	\$ 7,563,950	\$ 7,998,344	\$ 8,469,170	\$ 8,630,083	\$ 8,642,533	\$ 8,219,233	\$ 7,914,354
Total net debt applicable to limit (3)	<u>1,225,000</u>	<u>1,140,000</u>	<u>1,050,000</u>	<u>955,000</u>	<u>855,000</u>	<u>745,000</u>	<u>630,000</u>	<u>510,000</u>	<u>385,000</u>	<u>260,000</u>
Legal debt margin	<u>\$ 4,224,533</u>	<u>\$ 5,001,023</u>	<u>\$ 5,802,304</u>	<u>\$ 6,608,950</u>	<u>\$ 7,143,344</u>	<u>\$ 7,724,170</u>	<u>\$ 8,000,083</u>	<u>\$ 8,132,533</u>	<u>\$ 7,834,233</u>	<u>\$ 7,654,354</u>
Total net debt applicable to the limit as a percentage of debt limit	22.48%	18.56%	15.32%	12.63%	10.69%	8.80%	7.30%	5.90%	4.68%	3.29%

Sources:

- (1) Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation.
- (2) Limit set by NJSA 18A:24-19 for a K through 8 district.
- (3) District Records

**Riverton School District
Demographic and Economic Statistics
Last Ten Fiscal Years**

J-14

<u>Year</u>	<u>Population ^a</u>	<u>Personal Income (thousands of dollars) ^b</u>	<u>Per Capita Personal Income ^c</u>	<u>Unemployment Rate ^d</u>
2005	2,718	\$ 114,593,598	\$ 42,161	2.2%
2006	2,700	120,735,900	44,717	2.4%
2007	2,657	123,563,785	46,505	2.1%
2008	2,636	126,488,460	47,985	2.9%
2009	2,629	125,093,078	47,582	5.2%
2010	2,782	133,115,918	47,849	5.5%
2011	2,784	138,158,784	49,626	5.4%
2012	2,794	142,714,726	51,079	5.6%
2013	2,772	e	e	7.4%
2014	e	e	e	e

Source:

- ^a Population information provided by the NJ Dept of Labor and Workforce Development
- ^b Personal income has been established based upon the municipal population and per capita personal income presented.
- ^c Per Capita personal income provided by the NJ Dept. of Labor and Workforce Development.
- ^d Unemployment data provided by the NJ Dept of Labor and Workforce Development
- ^e Information not available

**Riverton School District
Full-time Equivalent District Employees by Function/Program,
Last Ten Fiscal Years**

J-16

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Instruction										
Regular	18	17	19	20	20	20	19	19	20	20
Special education	3	3	3	3	3	3	3	3	3	3
Support Services:										
Student & instruction related services	5	4	3	3	3	3	3	3	4	4
General and business administrative services	3	3	3	3	3	3	3	3	3	3
Plant operations and maintenance	3	3	2	2	2	2	2	2	2	2
Business and other support services	2	2	2	2	2	2	2	2	2	2
Total	34	32	32	33	33	33	32	32	34	34

Source:
District Personnel Records

Riverton School District
 Operating Statistics,
 Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenditures^a</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff^b</u>	<u>Pupil/Teacher Ratio Elementary</u>	<u>Average Daily Enrollment (ADE)^c</u>	<u>Average Daily Attendance (ADA)^c</u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
2005	225	\$ 4,078,832	\$ 18,128	12.45%	21	1:10	222.0	213.0	-10.84%	95.95%
2006	229	4,599,868	20,087	10.80%	20	1:11	229.0	221.0	3.15%	96.51%
2007	243	4,508,274	18,553	-7.64%	22	1:11	243.5	234.5	6.33%	96.30%
2008	254	4,957,662	19,518	5.21%	23	1:11	255.7	246.8	5.01%	96.52%
2009	263	4,949,572	18,820	-3.58%	23	1:11	260.2	249.8	1.76%	96.00%
2010	265	5,082,608	19,180	1.91%	23	1:11	269.4	258.9	3.54%	96.10%
2011	279	4,992,480	17,894	-6.70%	22	1:12	279.2	268.8	3.64%	96.28%
2012	280	5,222,062	18,650	4.22%	22	1:12	283.3	274.3	1.47%	96.82%
2013	283	5,440,158	19,223	3.07%	23	1:12	284.0	274.3	0.25%	96.58%
2014	304	5,460,107	17,961	-6.57%	23	1:13	302.9	293.8	6.65%	97.02%

Sources: District records

Note: Enrollment based on annual October district count.

a Operating expenditures equal total expenditures less debt service and capital outlay.

b Teaching staff includes only full-time equivalents of certificated staff.

c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

**Riverton School District
School Building Information
Last Ten Fiscal Years**

J-18

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<u>District Building</u>										
<u>Elementary</u>										
Riverton Elementary (1910)										
Square Feet	42,240	42,240	42,240	42,240	42,240	42,240	42,240	42,240	42,240	42,240
Capacity (students)	322	322	322	322	322	322	322	322	322	322
Enrollment	225	229	243	254	263	265	279	280	283	303

Number of Schools at June 30, 2014
 Elementary = 1
 Middle School = 0
 Senior High School = 0
 Other = 0

Source: District Facilities Office

Riverton School District
 Schedule of Required Maintenance
 Last Ten Fiscal Years

J-19

UNDISTRIBUTED EXPENDITURES - REQUIRED
 MAINTENANCE FOR SCHOOL FACILITIES
 11-000-261-xxx

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	Total
* School Facilities											
Riverton Public School	\$ 23,735	\$ 67,993	\$ 39,222	\$ 55,543	\$ 55,543	\$ 49,345	\$ 97,192	\$ 43,153	\$ 87,011	\$ 108,440	\$ 627,177
Project # (s)											
Total School Facilities	<u>\$ 23,735</u>	<u>\$ 67,993</u>	<u>\$ 39,222</u>	<u>\$ 55,543</u>	<u>\$ 55,543</u>	<u>\$ 49,345</u>	<u>\$ 97,192</u>	<u>\$ 43,153</u>	<u>\$ 87,011</u>	<u>\$ 108,440</u>	<u>\$ 627,177</u>

66

* School facilities as defined under EFCFA.
 (N.J.A.C. 6A:26-1.2 and N.J.A.C. 6A:26A-1.3)

Source: District records

**Riverton School District
Insurance Schedule
June 30, 2014**

J-20

	<u>Coverage</u>	<u>Self-insured Retention</u>	<u>Deductible</u>
School Package Policy (1)			
Building and Contents, Boiler & Machinery, Extra Expense, Valuable Papers, EDP Equipment			
Limits of liability per occurrence	\$ 250,000,000		
General Liability	5,000,000		
Automobile Liability	5,000,000		
Aggregate Excess Liability	5,000,000	\$ 100,000	
Environmental Liability	1,000,000		\$ 10,000
Workers' Compensation Statutory			
Blanket Dishonesty Bond	100000/400,000		1,000
Student Accident (1)	1,000,000		
Professional Liability	5,000,000		
Surety Bonds (2)			
Treasurer	175,000		
Board Secretary	80,000		

- (1) School Alliance Insurance Fund
- (2) Selective Insurance Company
- (3) National Union Fire Insurance Company of Pittsburgh, PA.

Source: District records

Single Audit Section

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Certified Public Accountants

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 American Institute of CPAs
 New Jersey Society of CPAs

**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND
 REPORT ON INTERNAL CONTROL OVER COMPLIANCE
 AS REQUIRED BY OMB CIRCULAR A-133
 AND NEW JERSEY OMB CIRCULAR 04-04**

INDEPENDENT AUDITOR'S REPORT

The Honorable President and Members
 of the Board of Education
 Riverton School District
 County of Burlington
 Riverton, New Jersey

Report on Compliance for Each Major State Program

I have audited Riverton School District (School District), in the County of Burlington, State of New Jersey's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement*, and the *New Jersey State Grant Compliance Supplement* that could have a direct and material effect on each of the School District's major state programs for the fiscal year ended June 30, 2014. The School District's major state programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to state programs.

Auditor's Responsibility

My responsibility is to express an opinion on compliance for each of the School District's major State programs based on my audit of the types of compliance requirements referred to above. I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and State of New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, OMB Circular A-133 and State of New Jersey OMB's Circular 04-04 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the School District's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances.

I believe that my audit provides a reasonable basis for my opinion on compliance for each major state program. However, my audit does not provide a legal determination of the School District's compliance.

Opinion on Each Major State Program

In my opinion, the Riverton School District, in the County of Burlington, State of New Jersey complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the fiscal year ended June 30, 2014.

Report on Internal Control Over Compliance

Management of the Riverton School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing my audit of compliance, I considered the School District's internal control over compliance with the types of requirements that could have a direct and material effect on a major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and State of New Jersey OMB's Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of the Riverton's School District's internal control over compliance.

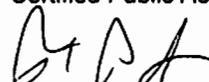
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

My consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of my testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and the New Jersey OMB's Circular 04-04. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,

INVERSO & STEWART, LLC
Certified Public Accountants



Robert P. Inverso
Certified Public Accountant
Public School Accountant

Marlton, New Jersey
August 15, 2014

RIVERTON SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2014

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period From - To	Balance June 30, 2013			Carryover (Walkover)	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance June 30, 2014		
					(Accounts Receivable)	Deferred Revenue	Due to Grantor					(Accounts Receivable)	Deferred Revenue	Due to Grantor
U.S. Department of Education														
Passed-through State Department of Education:														
Special Revenue Fund:														
Title I:														
Fiscal Year 2014	84.010A	NCLB446014	\$ 24,047	7/1/13 - 6/30/14				\$ 10,872	\$ (24,047)		\$ (13,175)			
Title II A:														
Fiscal Year 2014	84.367A	NCLB446014	9,512	7/1/13 - 6/30/14				9,512	(9,512)					
I.D.E.A. Part B - Basic:														
Fiscal Year 2014	84.027	IDEA446014	83,523	7/1/13 - 6/30/14				76,910	(83,117)		(6,207)			
Fiscal Year 2013	84.027	IDEA446013	81,024	9/1/12 - 8/31/13	\$ (447)			447						
I.D.E.A. Part B - Preschool:														
Fiscal Year 2014	84.173	IDEA446014	3,030	7/1/13 - 6/30/14					(3,030)		(3,030)			
Total U.S. Department of Education					(447)			97,741	(119,706)		(22,412)			
U.S. Department of Agriculture														
Passed-through State Department of Education:														
Enterprise Fund														
National School Lunch Program														
Fiscal Year 2014	10.555	N/A	14,767	7/1/13 - 6/30/14				13,870	(14,767)		(897)			
Fiscal Year 2013	10.555	N/A	15,175	7/1/12 - 6/30/13	(707)			707						
Total U.S. Department of Agriculture					(707)			14,577	(14,767)		(897)			
Total Federal Awards					\$ (1,154)	\$ -	\$ -	\$ -	\$ 112,318	\$ (134,473)	\$ -	\$ (23,309)	\$ -	\$ -

The accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this schedule.

RIVERTON SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
For the Fiscal Year Ended June 30, 2014

State Grantor / Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From - To	Balance June 30, 2013			Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance June 30, 2014		
				(Accounts Receivable)	Deferred Revenue	Due to Grantor				(Accounts Receivable)	Deferred Revenue	Due to Grantor
State Department of Education												
General Fund:												
Equalization Aid	14-495-034-5120-078	\$ 288,342	7/1/13- 6/30/14				\$ 280,312	\$ (288,342)		\$ (8,030)		
Equalization Aid	13-495-034-5120-078	298,612	7/1/12- 6/30/13	\$ (3,022)			3,022			-		
Special Education Categorical Aid	14-495-034-5120-089	189,928	7/1/13- 6/30/14				170,935	\$ (189,928)		(18,993)		
Special Education Categorical Aid	13-495-034-5120-089	185,456	7/1/12- 6/30/13	(17,987)			17,987			-		
Transportation Aid	14-495-034-5120-014	26,068	7/1/13- 6/30/14				23,461	(26,068)		(2,607)		
Transportation Aid	13-495-034-5120-014	21,087	7/1/12- 6/30/13	(2,109)			2,109			-		
Security Aid	14-495-034-5120-084	30,765	7/1/13- 6/30/14				27,689	(30,765)		(3,076)		
Security Aid	13-495-034-5120-084	29,948	7/1/12- 6/30/13	(2,995)			2,995			-		
Extraordinary Aid	14-100-034-5120-473	5,203	7/1/13- 6/30/14					(5,203)		(5,203)		
On behalf TPAF Pension Contribution	14-495-034-5095-006	81,593	7/1/13- 6/30/14				81,593	(81,593)		-		
On behalf TPAF Post Retirement Medical	14-495-034-5095-001	133,782	7/1/13- 6/30/14				133,782	(133,782)		-		
Reimbursed TPAF Social Security Contr.	14-495-034-5095-002	144,900	7/1/13- 6/30/14				138,497	(144,900)		(6,403)		
Reimbursed TPAF Social Security Contr.	13-495-034-5095-002	141,506	7/1/12- 6/30/13	(822)			822			-		
Total General Fund				<u>(26,935)</u>			<u>883,204</u>	<u>(900,581)</u>		<u>(44,312)</u>		
Special Revenue Fund:												
Nonpublic:												
Handicapped Services:												
Supplemental Instruction	14-100-034-5120-066		7/1/13- 6/30/14				2,775	(2,775)				
Supplemental Instruction	13-100-034-5120-066	3,470	7/1/12- 6/30/13			\$ 69			\$ 69			
Examination & Classification	14-100-034-5120-066		7/1/13- 6/30/14				3,824	(3,824)				
Examination & Classification	13-100-034-5120-066	2,710	7/1/12- 6/30/13			1,114			1,114			
Total Special Revenue Fund						<u>1,183</u>	<u>6,599</u>	<u>(6,599)</u>		<u>1,183</u>		
State Department of Agriculture												
National School Lunch Program (State Share)												
Fiscal Year 2014	14-100-010-3350-023	687	7/1/13- 6/30/14				647	(687)		(40)		
Fiscal Year 2013	13-100-010-3350-023	620	7/1/12- 6/30/13	(30)			30					
Total Enterprise Fund				<u>(30)</u>			<u>677</u>	<u>(687)</u>		<u>(40)</u>		
Total State Financial Assistance				<u>\$ (26,965)</u>	<u>\$ -</u>	<u>\$ 1,183</u>	<u>\$ 890,480</u>	<u>\$ (907,867)</u>	<u>\$ 1,183</u>	<u>\$ (44,352)</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this schedule.

**Riverton School District
Notes to Schedules of Expenditures
of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2014**

I. GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Board of Education, Riverton School District. The Board of Education is defined in Note I to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, are included on the schedules of expenditures of federal awards and state financial assistance.

2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the School District's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of State, Local Governments, and Non-Profit Organizations*; therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when the expenditures have been made.

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to *N.J.S.A. 18A:22-44.2*. For GAAP purposes that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payment in the current budget year, consistent with *N.J.S.A. 18A:22-4.2*.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$6,593) for the general fund and \$0 for the special revenue fund. See Exhibit C-3, Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General	\$ -	\$ 893,988	\$ 893,988
Special Revenue	119,706	6,599	126,305
Food Service	14,767	687	15,454
Total	<u>\$ 134,473</u>	<u>\$ 901,274</u>	<u>\$ 1,035,747</u>

**Riverton School District
Notes to the Schedules of Expenditures
of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2014
(Continued)**

4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

5. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2014. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2014.

6. MAJOR PROGRAMS

Major programs are identified in the Summary of Auditor's Results section of the Schedule of Findings and Questioned Costs.

RIVERTON SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Section 1 -- Summary of Auditor's Results (Continued)

State Awards

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? X yes no

Internal Control over major programs:

Material weaknesses identified? yes X no

Significant deficiencies identified that are not considered to be a material weakness? yes X none reported

Type of auditor's report on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 04-04? yes X no

Identification of major programs:

<u>State Grant/Project Number(s)</u>	<u>Name of State Program</u>
<u>14-495-034-5120-078</u>	<u>Equalization Aid</u>
<u>14-495-034-5095-002</u>	<u>TPAF Reimbursed Social Security</u>
<u>14-100-010-3350-023</u>	<u>National School Lunch Program (State Share)</u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>

**RIVERTON SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

Section 2 -- Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards* and with audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

None

**RIVERTON SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

***Section 3 -- Schedule of Federal Awards and State Financial Assistance
Findings and Questioned Costs***

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major Federal and State programs, as required by OMB Circular A-133 and New Jersey OMB's Circular 04-04.

FEDERAL AWARDS

A Federal single audit was not required.

STATE AWARDS

None

**RIVERTON SCHOOL DISTRICT
Summary Schedule of Prior-Year Audit Findings
And Questioned Costs as Prepared by Management**

This section identifies the status of prior year findings related to the financial statements and Federal Awards and State Financial Assistance that are required to be reported in accordance with *Government Auditing Standards*, OMB Circular A-133 and State of New Jersey OMB's Circular 04-04.

FINANCIAL STATEMENT FINDINGS

There were no prior year audit findings.

FEDERAL AWARDS

A Federal single audit was not required.

STATE AWARDS

There were no prior year audit findings.